

Questions asked during the CEO Roadshow for members resident in South Africa – 1 March 2022

The questions below were asked by members who attended the CEO roadshow on 1 March 2022. The answers were given by the relevant executives. The questions are categorised into SAICA's 4 strategic pillars.

MEMBER VALUE

- **Why was SAICA disingenuous with regards to the 'retirement' of Chantal Mulder?**

In December, I (Freeman Nomvalo, SAICA CEO) had a meeting with Ms. Mulder and she spoke openly and honestly about the fact that she believes it's time for her to take early retirement. Essentially, it is inappropriate to discuss employee issues externally and the member communication that we sent in December reflects the truth of the matter.

I am not sure what other information the member may have in this regard.

- **I think that SAICA is tiptoeing around SARS and challenging to sort out their administration issues. The penalty on provisional and non-provisional taxpayers is a case in point.**

SAICA does not tiptoe around SARS. We have been engaging SARS actively as mentioned in [our response to questions](#) raised before this roadshow and communicated on this matter via various communication platforms to our members. We are continuously making the SARS Commissioner aware of the various challenges our members and the general public are experiencing.

It must be noted that there is a due process that needs to be followed and challenges that need to be taken into consideration. We do a lot of direct engagement with the Commissioner, Parliament, and Treasury and we make several submissions every year, which our members are informed about.

We encourage members to engage with our content in this regard.

- **Is there anything that SAICA could do please to try and ask SARS why the refund process is so slow or delayed?**

The SARS refund process isn't new. The National Tax committee dealt with the refund process and compliance. These are complex challenges but we robustly engage SARS, as mentioned. We also have a joint committee on this as the process is a collaborative effort. Parliament indicated that Treasury needs to engage SAICA for guidance on this matter. A follow-up engagement with the Standing Committee will take place soon to effect the necessary changes.

- **We continue to have unresolved, repeated problems with SARS. Can Freeman (the CEO) please comment on the efficacy of SAICA's SARS relationship? Is it not time to escalate the matter?**

There is a mutual relationship of trust between SAICA and SARS. There are issues that we need to raise as robustly as we can, but we must do it according to a clearly defined process. We do go to Treasury, Parliament and the SARS Commissioner and continuously raise issues as we see fit. The process of turning around SARS and ensuring improvement can only be driven and

done by the SARS Commissioner, as that is his role. SAICA can merely support him. We cannot do their work for them. In 2021, SAICA initiated a process where several CAs(SA) were employed at SARS to help improve their systems and processes.

We have a standing engagement with the SARS Commissioner and our theme for the year – Accounting for Implementation – aims to help those with oversight of these types of processes to be accountable. Treasury is responsible and Parliament is responsible for implementing these processes.

Regarding the operational implementation of improved systems and processes, the SARS Commissioner needs to take that responsibility. We help and support where we can, by identifying problems with their system, their strategy, the cultural changes, etc.

The member is asking us to ‘escalate’ the matter. We want to know who else we need to escalate it to? We are already engaging Parliament, the minister of finance as well as the ministerial working group that reports to the Presidency.

We do communicate that an effective SARS is in the interest of all South Africans.

If Treasury is responsible for the governance framework of SARS, then Treasury is responsible for seeing that it comes to pass. SAICA’s role is to engage SARS and Treasury to identify where things are going wrong and ensure that we are collaborating with them where we can. We cannot implement the necessary changes on their behalf.

- **Please report on your interaction with the SARS Commissioner to improve, inter alia, the continuing non-functioning online services in accepting uploaded documents, etc.?**

It is a complex problem and not that easy to address. We do robustly engage and go to Parliament regularly, as mentioned above, with the thought leadership and knowledge from our collaborative, joint committee as the basis for our advocacy in this regard. As mentioned, SAICA will continue to escalate problems to the SARS Commissioner and we encourage our members to engage with our communication in this regard.

RELEVANCE AND REPUTATION

- **What is SAICA doing about the perception that public sector trained CAs(SA) do not have the same calibre of skills as those trained in the private sector? This perception remains even though the training criteria and competencies are the same.**

All CAs(SA) are expected to have the same competencies as underpinned by SAICA’s Pathways to Relevance framework and the SAICA Code of Professional Conduct. SAICA acknowledges that there is a problem in the Public Sector. A few steps have been taken to address the perception mentioned in the question:

1. A Mobility Survey to identify whether the skills gap between the public sector and private sector CAs(SA) is merely a perception or a real concern.
2. Engaging with HR professionals to identify the issues CAs(SA) in the public sector and private sector face.
3. Profiling members who are making a positive difference in the public sector.

Thus far, SAICA has found that the skills gap perception only exists in South Africa. Members who have been trained in the public sector do find high-profile work abroad and tend to do very well internationally.

SAICA encourages members to provide feedback and input as and when they receive SAICA's surveys. With proper member input, we can provide more valuable feedback and take the appropriate steps to ensure that our members in the public sector do not struggle due to the perceptions in the marketplace.

- **On ethical matters, some Audit practices have been mentioned or involved in unethical conduct. Does SAICA deal with audit firms or only focus on an individual basis?**

SAICA does not have jurisdiction over firms. SAICA is a member organisation and only has jurisdiction over its members. The IRBA is the audit regulator and therefore has jurisdiction over firms.

- **How many individuals are being disciplined by SAICA? Some firms and individuals were implicated in the state capture report. SAA and Eskom are two examples where auditors dropped the ball.**

SAICA uploads a quarterly disciplinary update on the SAICA website, which is also communicated via the CA World Newsletter. The updates can be found [here](#). Please also see SAICA's member communication regarding the Zondo Commission reports [here](#).

The two auditors implicated in the SAA matter:

Regarding complaints that SAICA receives relating to auditors and audit matters and the IRBA's jurisdiction as the audit regulator, SAICA must refer the complaints to the IRBA to investigate and SAICA must accept the findings of the IRBA. It should be noted that SAICA does not receive all complaints related to auditors or audit matters, given that the IRBA is the audit regulator.

Concerning the SAA audit, the IRBA concluded its disciplinary investigations against two auditors who are members of SAICA, namely Mr. Pule Mothibe and Ms. Thuto Masasa. Due to the exclusive jurisdiction of the IRBA in audit-related matters, SAICA is bound to accept the findings of the IRBA against these two individuals. SAICA is currently convening Fit and Proper Enquiries to consider whether these members should retain their membership of SAICA regarding the IRBA findings against them. It has been agreed with these members that their Fit and Proper Enquiries will be held in the first quarter of 2022 before the independent Professional Conduct Committee (PCC). As the Fit and Proper Enquiries do not constitute a disciplinary proceeding in terms of SAICA's by-laws, the Professional Conduct Committee will have the discretion as to whether to order publication of the outcome of the Fit and Proper Enquiry. SAICA will request that such publication be ordered by the PCC given that the matter is in the public interest.

Other matters that were featured in the media include:

Mr. Markus Jooste

The charge sheet was communicated to Mr. Jooste in May 2021. The SAICA disciplinary hearing against Mr. Jooste was postponed at his request until the finalisation of the review of the FSCA

finding, to avoid incurring additional legal costs. This course of action was supported by the CEO and the Executive Director: Legal and Governance.

The FSCA's Financial Services Tribunal has concluded hearing the appeal against the FSCA finding. SAICA is considering the finding and liaising with the FSCA to provide us with the technical documentation required.

Members involved in the Tongaat Hulett improper conduct

After experiencing several months of delays in gaining access to investigation documentation, SAICA is currently in the advanced stages of finalising draft charge sheets for three of the members implicated.

In late November 2021, SAICA was allowed to peruse a report related to one other implicated member and SAICA has commenced drafting the charge sheet against this member.

Eastern Cape Development Corporation (ECDC): Pamela Bosman

This matter is part-heard before the Disciplinary Committee and will re-commence in March 2022.

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Mr. Anoj Singh's disciplinary hearing was completed in 2020 and the outcome was communicated to members and the media. SAICA is reaching out to the remaining members implicated in the Zondo Commission Report for responses and is investigating the matters further.

TRANSFORMATION AND GROWTH

- **Do you have a committee that constantly reviews the board exams framework? Do they look at whether the current exam structure (writing the big four at once) is still relevant? Do they do thorough research?**

Yes, the Independent Professional Development (IPD) Committee oversees SAICA's full learning and development processes. There are also two sub-committees: the ITC Exam Committee and the APC exam committee. These independent committees are responsible for the setting and processes of the exams, as well as the accreditation process for universities and training offices. The IPD Committee's role is to annually review its processes and ensure that those processes are delivering a CA(SA) that is of quality and that meets the standard that should be met.

In 2021, SAICA conducted an independent review where we looked at the standard of the ITC and the APC. Essentially, it was a high-level review of our exams. We also compared our exams to those of our global counterparts.

SAICA currently also has an independent research project underway, to look at the full value chain from university-level to ITC and APC training. We will not be making any structural changes until the independent research has been completed.

As mentioned, the research is done independently, by a team of professors and reviewers.

SAICA further reviews its competency framework annually, where we also look at what other professional bodies are doing. For this reason, SAICA has two executives who sit on a committee of global directors to discuss changes and challenges in the education space, to ensure that we continue moving forward and creating CAs(SA) that will remain relevant into the future.

There is more detail on the competency framework on the [SAICA website](#).

From a learning and development perspective, the current hot topic is sustainability reporting. South Africa has been doing integrated reporting for some time, and sustainability reporting has already been included in our assessment processes at the APC level, for example.

One has to determine whether the underlying components of the qualification are fit for purpose and how they need to adapt and change to ensure that these areas are developed. One key pillar is the academic programme and we've been working with academics over the last three to four years to get them to embrace changes around the competency framework. Many of them have started with this journey. The second part is to relook at the actual assessments themselves; we had a working group last year who looked at what the ITC should look like in terms of assessing these competencies and we're in the process of looking at the professional programme and the APC. This is the context of the independent review that was done and the independent research that is still ongoing. We will not be approving any significant changes until such a time that all of these processes have been completed and the relevant committees have been given an opportunity to debate the results in line with governance processes.

- **Where does the buck stop in terms of taking responsibility for the APC debacle?**

This is an important question and considering the experience the candidates went through, it helps SAICA to focus on finding a proper solution.

The responsibility in any organisation rests with the CEO, and not dealing with issues of this nature, will not help the organisation. At SAICA we believe in first curing the problem where it occurred, and then dealing with the other matters accordingly. We are still in the phase of dealing with the problem where it occurred.

- **Why did SAICA hire the laptops in the first place instead of using the old method of candidates bringing their own laptops?**

SAICA traditionally used a hybrid model where they hired laptops for those candidates who don't have their own laptops.

SAICA also noticed that certain firm-provided laptops had challenges with administrator rights regarding the exam software that had to be used during the APC.

Further, several firms and training offices couldn't load the exam software due to the security software.

All these factors led to the decision to hire laptops for all the candidates.

Before hiring the laptops, SAICA went through a successful pilot testing to ensure that we understood and felt comfortable with the method of hiring laptops. We still believe that the decision to hire laptops was a good one and we agree that the potential risks and challenges were not fully mitigated.

For the time being, we are reverting back to allowing candidates to use their own laptops or training office laptops, and only hiring laptops on an exception basis.

- **Candidates can trust SAICA, but can the public trust the 2022 newly qualified CAs(SA)? Also, can we expect two levels of CAs(SA) for 2022 after both exams, 'Competent' and 'Highly Competent'?**

The process at the exit point, which is the exam setting, marking, and adjudication of that marking, is a process that is undertaken and managed fully by the IPD committee, as mentioned above.

The IPD Committee oversees the integrity of the exam and regardless of what happened, the only solution is another writing opportunity. There will be no difference in the level of qualification given that independent structures set the independent exam. The exam setting process followed the same strict processes as before. We do not want there to be an impression that the process is being managed manually; the process is independently run and adheres to a certain set of rules that aligns with international standards. Therefore an opportunity to rewrite was provided to ensure fairness for all candidates.

- **What steps is SAICA taking to ensure that a repeat of the failures of the APC of 2021 does not occur? The latest debacle with the SAICA examinations was nothing short of a disaster - if SAICA could not get this right, how on earth are other bodies/institutions/individuals going to get this right? This is quite concerning to me as a fellow CA(SA).**

SAICA has taken the necessary steps to ensure the smooth running of the examination process for the rewrite sitting on 30 March 2022 and reiterates the organisation's previous communication that it will revert to its hybrid model of eWriting as successfully utilised in previous APC sittings where candidates will be able to use their own or firm provided laptops to write the APC. SAICA will also be using a WiFi service provider to ensure that connectivity challenges are addressed.

- **Given how there is now a rewrite opportunity for candidates who were not successful in the APC exam, is SAICA considering giving rewrites in the future for all candidates, especially repeat candidates?**

Under normal circumstances, SAICA offers only one APC sitting a year. However, the 30 March 2022 APC 2021 rewrite is offered to address the challenges experienced by candidates during the 1 December 2021 assessment. Discussions regarding whether in future SAICA should host two APC sittings per year are to be considered in detail by the Initial Professional Development (IPD) Committee as there are more factors to be considered in making such a decision.

- **Will the exam format and approach be reconsidered by the SAICA Board, as it appears that the quality of the exams and conditions to maintain entry into the profession cannot be maintained?**

SAICA currently believes that the APC is the right tool to determine candidates' competence at entry to the profession. The IPD Committee annually engages on educational matters in this regard. Currently, the APC is considered an appropriate model to assess competence.

- **If an APC candidate is signed off and passes the 2021 APC and decides not to rewrite, can the trainee apply for membership immediately?**

Candidates would have received their results by the time the rewrite takes place. Those who are successful will be able to register immediately with SAICA as members.

- **How did SAICA manage to bungle the APC from not just a technical perspective but also a reputation perspective and an empathic perspective towards the students? Who has been held accountable for the diabolical handling of the APC - the technical issues the poor communication with students (not listening to their views when a decision had already been made only to backtrack when all the negative media came out)?**

SAICA still expresses its sincere apology for the challenges experienced by the candidates on 1 December 2021. SAICA has been communicating with members and candidates regarding the matters that took place on 1 December 2021.

SAICA can confirm that the Board has initiated an investigation into this matter. There are also HR processes that are taking place, which SAICA cannot comment on at this point.

- **There is a perception that SAICA wants to ‘manage’ the pipeline of CAs(SA) that are introduced into the professional annually. Will the effects of the 2021 APC lead to a bi-annual qualifying exam?**

In terms of learning and development at SAICA, all governance structures are run by independent committees. As mentioned, the IPD Committee oversees the ITC and APC committees. Robert Zwane, Acting Executive Director: Learning, Development and National Imperatives, sits on those committees merely to provide administrative support.

We reiterate that there are clear processes that are independent of SAICA, which means there is no discussion regarding the expectation on pass rates, etc. There is therefore no truth in the perception that SAICA ‘wants to manage the pipeline of CAs(SA)’.

We do not play around with, manage, or influence pass rates. The governance structure of the SAICA exams will remain with the independent committees.

- **Considering that most CAs(SA) end up on a leadership level of business and Government and usually do MBA/MBL to acquire the skills. Does SAICA believe that its leadership training is sufficient or not?**

The CPD policy makes it very clear that members are responsible for their learning and development and the focus should not only be on technical skills.

All the leadership competencies form part of SAICA’s CA2025 framework, which comprises enabling acumens. You can read more on CA2025 [here](#).

SAICA continues to research and identify opportunities where we can offer not just technical learning and development but learning in all areas and acumens. This includes the leadership aspect as well as competencies related to emotional intelligence.

ORGANISATIONAL SUSTAINABILITY

- **When will SAICA respond to problems experienced in uploading CPD monitoring documentation resulting in not all documentation being submitted?**

Thank you to members who have declared and uploaded their documentation to illustrate their CPD compliance.

As far as SAICA is aware, all the issues have been dealt with. There were only three issues and those members’ queries have been resolved. These members had exceptional circumstances and their queries were dealt with timeously.

If there are other issues, please contact SAICA via the [Member Portal](#). We appreciate member feedback in this regard, as it helps us to enhance the user experience.

- **When is the booking system going to be improved for seminars and events? It is frustrating to get emails asking you to click on the links but not being able to register directly from there.**

We are aware of the challenges, IT team has identified some of the challenges. SAICA is currently working on simplifying the seminars and events booking system and will share more information with members in due course.

- **Can SAICA consider contracting someone who can update, simplify and make more user-friendly your current website, which must rank among the worst I have encountered.**

We have commissioned contractors to help develop the content side of our website, which was launched last year and communicated to members at the time. The current challenge is the transactional aspect of the website such as booking for seminars and events, and this aspect will be deployed on the website in due course.

The current content side of the website has been developed on an international best-practice basis.

We encourage members to visit the new website at <https://www.saica.org.za/>