

Questions raised by members during the AGM on 26 May 2022

The questions below were raised by members shortly before and during the AGM on 26 May 2022.

Answers were given by the relevant executives and Board members.

The questions and answers are categorised into SAICA's four strategic pillars: member value, relevance and reputation, growth and transformation, and organisational sustainability.

MEMBER VALUE

- **How is SAICA addressing the lack of females of colour representation within corporates/audit firms which is still predominantly white?**

SAICA's role is to develop CAs(SA) that are ethical and competent. The institute does significant marketing to ensure that companies recognise CAs(SA) as business leaders. Research shows that business leaders recognise the CA(SA) as the most admired business designation in South Africa, showing the value that businesses place on Chartered Accountants. This is also indicated by the salary premium that many CAs(SA) earn over other designations. SAICA does not have the jurisdiction to legally enforce the adherence to B-BBEE legislation in individual companies or firms.

- **Why did it have to be a class action against IRBA fees and not SAICA?**

The IRBA is a key stakeholder to SAICA and our relationship with them as our regulator is important. It concerns us that a class action has been brought against them.

SAICA's subscription fees are based on the value we create for members. The Chairman's address during the AGM, as well as the [2021 Integrated Report](#), highlights the value we are creating. More information can also be found in the [Member Value Proposition](#) on the website.

- **I like the SLA signed with the NPA, I am just wondering if the role is deploying more CAs(SA) to investigative or advisory roles?**

The work that is being done, is collaborative in nature, given that all expertise needed is not necessarily only the expertise of CAs(SA). SAICA will always encourage and collaborate in order to contribute to creating a better society.

- **Can SAICA update me/others on the proposed arrangement for retired members to assist SARS. I had one communication that said something like "still being considered" and nothing more.**

In 2021, SAICA communicated that it had entered into a memorandum of understanding with SARS to assist with the revenue collectors' capacitation project. Through this MOU, SAICA advertised 20 job opportunities to members and associates of which 74 members and associates (nationwide) applied for these job opportunities.

In addition to this, a CA(SA) Expert Consultancy webinar was held with the SARS Commissioner Edward Kieswetter and Judge Dennis Davis. Following this engagement, 79 experienced SAICA members completed the expression of interest process to apply to assist SARS with these consultancy roles and SARS has confirmed that, after an initial delay in its process, it is screening members and its interview process for these positions is ongoing.

As previously communicated to members, SAICA reiterates that SARS bears sole responsibility for any recruitment decisions, and therefore SAICA has no input into their employment processes or decisions.

The arrangement with SARS has been signed. Being sensitive to the developments in our country, our relationship with SARS has to be above reproach as they make the decisions on who they employ. SARS is driving the process from an administrative point of view.

- **With reference to the chairman's answer on SAICA's value to the members, I would like to understand how SAICA assesses whether members are happy with what they are getting. Are there any surveys done?**

SAICA has a scorecard based on its strategy, and primary to our strategy is Member Value. Given that this is a core strategy, it has to be supported by proper measurement.

SAICA measures the member value in three ways:

1. After every engagement with members, e.g. events, a survey is done where we enquire whether members found the content relevant and valuable.
2. Every quarter, we ask members and stakeholders for their feedback in the Professional Health Index (PHI) survey, which looks at a wide range of issues. These results are analysed and subsequent strategies and plans for improvement are included throughout various divisions in SAICA. The PHI forms part of the SAICA scorecard over which the SAICA Board has oversight.
3. SAICA does an annual survey through Ask Afrika, where we get further insight from our members and business decision-makers regarding our efforts.

These surveys are communicated via SAICA's various communication channels and members are encouraged to share their feedback.

- **Many of SAICA's events require contributions from members yet we pay exorbitant fees. Why is this the case?**

There is a cost associated with all the diverse activities of SAICA, including the offering of events. Even an online webinar attracts a digital cost to host the session, as well as the cost of SAICA staff who are employed to manage the annual events calendar, and the external specialist speakers who often participate in our events. This means we do in some cases have to charge members a small fee to attend our events.

Events range from thought leadership to member engagement to learning and development activities. SAICA has developed a revised pricing model which is being applied to all events to balance the cost of complimentary events with the cost of paid-for events.

In 2021 SAICA offered more than 80 complimentary events to members in comparison to 40 events that were charged for. If one were to calculate the cost of the value of these events, they would far exceed the cost of the annual membership fee. Nevertheless, SAICA sees the provision of services to members as being one of the drivers of the overall value that membership provides. The value to members of SAICA membership is outlined in the [Member Value Proposition](#) document on the website.

- **Is SAICA comfortable with the IRBA unlawfully taking R60 million from mostly smaller firms? And paying the management committee celebratory bonuses out of such loot?**

SAICA's area of responsibility is based on public interest and its members and how they contribute to the profession. SAICA will always respond to issues relating to its members and act according to our by-laws.

Regarding IRBA, members that feel IRBA's actions are inappropriate, need to take it up with the IRBA. SAICA maintains a professional relationship with IRBA, given that they are the regulator of the audit arm of the profession. Consequently, we do not take a view on how IRBA manages its internal operations.

- **There is a reported "brain drain" of CAs(SA) from SA. Is SAICA concerned about that and what steps is SAICA implementing to address the issue?**

The number of CAs(SA) that are based outside of South Africa has remained fairly consistent for several years, at currently just over 20% of the membership base. (View our membership

statistics [here](#)). One of the value drivers of the CA(SA) designation is that it can be positively compared to similar designations globally, a consequence of which is that members are able to excel in their careers anywhere in the world. It is very difficult for SAICA to direct members where they can or cannot practice, who they can or cannot work for, or force a member to stay in South Africa. SAICA is proud to know that its CA(SA) designation is strong and reputable enough to ensure global employment opportunities and recognition for our members.

RELEVANCE AND REPUTATION

- **It would be good to highlight the focus on strategic effort in driving the economic relevance of the profession and the plans in the next 12 months.**

SAICA is currently developing a strategy as a further phase in our Unite4Mzansi™ initiative to address broader economic issues in the South African context. More detail on this will be provided once the initiative is finalised.

Our strategic initiatives to ensure the relevance of the profession and how we create value, is indicated in the [Integrated Report](#) from page 88 onwards.

- **I note the good work SAICA is doing via the Public Sector division to drive awareness and to provide consistent updates (including training) on the latest developments in the public sector. But I am of the view that more work needs to be done at university level, in order to provide awareness and to educate students about the sector, which in turn will enable them to decide if they would like to pursue a career in the public sector. Are there any initiatives planned in this regard? Has SAICA developed an integrated strategy and implementation plan (i.e. centred around students, trainees and registered members) on how it envisions to drive awareness, education, participation and to advocate for talented individuals to consider a career in the public sector?**

SAICA is currently raising more awareness of the public sector to students through the following initiatives:

(1) CA2025 Competency Framework

SAICA acknowledges the pivotal role played by the public sector in South Africa and the contribution made to, and the role played by CAs(SA). SAICA is also aware that CAs(SA) who are not directly involved in the public sector, need to have an understanding of this sector because of the impact of public sector processes on the economy.

Therefore, an increased focus on the public sector has been included in the CA2025 Competency Framework, which is currently being rolled out in the academic programme. To support the implementation of this across all academic programme providers a Community of Practice has been established to share ways in which the public sector can be more effectively included in the academic programme. Universities are encouraged to use the Appendix III to guide them in the development of their SAICA accredited programmes.

(2) Resources

SAICA is developing a series of video recordings to support students, academics and members to understand the public sector.

The recordings, which will be available on the website in due course, will be used as technical resources to obtain a basic understanding of the public sector. Each recording in the series will be approximately 1 to 2 hours long and will cover the following areas in the public sector:

- Financial reporting frameworks (specifically GRAP and Modified Cash Standards);
- Legislation (with a focus on the Public Finance Management Act and the Municipal Finance Management Act) as they relate to financial management and reporting, governance and performance reporting;
- The auditing requirements within the public sector; the structure of the state and the role of parliament,
- Provincial legislatures, councils in relation to governance and financial and performance management and reporting;
- Overview, functioning and objectives of Local Government;
- Overview, functioning and objectives of National and Provincial Government,
- Introduction to Performance Information;
- Procurement; and
- Introduction and overview of key topics such as unauthorised, irregular and fruitless and wasteful expenditure (UIFW).

(3) Planned guest lectures

Guest lectures are presented to students to educate them on the public sector. The lectures allow students to interact with public sector stakeholders such as the

Accounting Standards Board, and also provides them with an understanding of key legislations and financial reporting standards.

- **The 281 number of DC cases concluded, with only 2 members dismissed? does this match with accounting scandals being reported in media?**

SAICA understands that the chartered accountancy profession is undergoing a period of profound reflection encompassing debates on how to maintain professional independence as evidenced by SAICA's recent revisions to the Institute's by-laws which include enhancements to the disciplinary process. What we can all agree on, is that adherence to the highest standards of ethical conduct, professional integrity, and avoidance of conflict of interest must remain the bedrock of the accountancy profession. SAICA expects all its members to uphold these values in all professional circumstances. All members who are found to have contravened SAICA's Code of Professional Conduct (the Code), will be held accountable without fear or favour, including all members mentioned in the various comprehensive Zondo Commission Reports.

SAICA confirms that it takes allegations against all individual members seriously and is currently investigating all allegations against its members, including those reported on in the media. The SAICA communications team monitor the media daily to ensure that we are aware of all allegations against our members.

The initial investigation phase, in which SAICA gathers factual evidence, and testimony and conducts relevant due diligence, is confidential. In the interest of procedural fairness and as prescribed in the SAICA by-laws, SAICA cannot comment publicly, either in traditional media or on social media, on any member who is the subject of an investigation during this phase, unless otherwise provided for under the by-laws. This protects the reputation of the individual members involved (who may well be innocent) and also safeguards third parties who may be mentioned in a complaint but who have no opportunity, as non-members of SAICA, to explain themselves during the Institute's disciplinary process. Note that investigations also take time, given that SAICA has no rights of search, seizure or subpoena, and we work with proven factual evidence in our disciplinary processes, which is sourced from external independent prosecutorial organisations.

Once the investigation is concluded and there is sufficient evidence to suggest that a member may have breached the Code, that member will then be charged under the relevant section of the Code. At that point the process becomes public, should the CEO deem it appropriate

to do so. This is in line with the SAICA by-laws. The member will then have an opportunity to appear before an independent committee (either the Professional Conduct Committee or the Disciplinary Committee), chaired by a senior lawyer, generally an advocate, or a retired judge. This, of course, takes time, as SAICA's independent disciplinary committees deal with proven facts, and not only media reports. Each case is also unique, and therefore there is no prescribed timeline for SAICA's various disciplinary cases.

All cases before the Disciplinary Committee are open to the public unless the independent chair finds there are extraordinary circumstances, requiring the case to be heard *in camera*, i.e. in private. The findings of these committees are also published where there is a guilty finding. Details of past cases, findings, and pending hearings can be accessed by following this [link](#).

GROWTH AND TRANSFORMATION

- **What plans does SAICA have to ensure that a re-occurrence of the APC sitting last year does not happen again?**

SAICA has taken the necessary steps to ensure the smooth running of the examination process going forward. SAICA further reiterates the organisation's previous communication that it has reverted to its hybrid model of eWriting as successfully utilised in previous APC sittings where candidates use their own or employer-provided laptops to write the APC. SAICA will also be using a WiFi service provider to ensure that there are no internet interruptions.

- **How is SAICA assisting APC candidates in improving the results, seeing that from the 2018 APC sitting there has been a decline? What measures put in place have worked, if any? What more should be done? How can members assist in SAICA's APC results improvement plan? It is critical to note that black Africans have been greatly affected.**

SAICA noted with great concern the erstwhile decline in the APC results. SAICA has commissioned independent research on the full CA(SA) value chain to better understand the factors that could be affecting the results. SAICA expects the research to be completed in the near future. Once the research has been completed, SAICA, through the Initial Professional Development Committee, will consider the recommendation presented. While SAICA waits for the research results, we are still engaging with key stakeholders in an effort to assist candidates. These engagements include fundraising and direct support for candidates. SAICA believes that

this concern can only be resolved from a collaborative approach, therefore members can be involved as mentors and coaches for candidates' developments within the training programme. All stakeholders involved in the training programme are also encouraged to review their processes and practices to ensure that candidates writing the APC are sufficiently assisted through the development of the relevant competencies. It should further be noted that the 2021/2022 APC results do indicate an improved pass rate.

- **Does SAICA believe a racial question exists regarding the marking of the APC as well as CAs(SA)' development in the corporate world (it is easier for a white trainee to get the relevant support versus a black one and therefore climb the ladder quickly)? CAs(SA) in the corporate world are getting paid different salaries based on their race due to majority of those in management being whites.**

Regarding the marking process: SAICA's assessment process complies with international education standards and therefore complies with the principle of fairness. To this end, SAICA always ensures that its marker composition is made up of experienced markers who are representative of the country's transformation imperatives. Markers do not see or know candidates' names on the papers they are assessing, but only their candidate numbers. SAICA therefore believes that the marking process is fair and adheres to the international standards mentioned above.

Regarding the corporate environment and racial matters: The independent research that has been commissioned by SAICA will also investigate all aspects related to training. Once the research is completed, we will better understand the factors involved in this regard. It is also important to note that SAICA has recently completed a survey with trainees that have highlighted various matters for which SAICA has developed a plan of action.

- **What is SAICA doing to improve the pass rate at both ITC and APC board exams?**

As mentioned above, SAICA has commissioned independent research on the full CA(SA) value chain to better understand the factors that could be affecting the results. Once the research has been completed, SAICA through the Initial Professional Development (IPD) Committee will consider the recommendation presented.

All stakeholders involved in the training programme are also encouraged to review their processes and practices to ensure that candidates writing the APC are sufficiently supported through the development of the relevant competencies.

The IPD Committee has also tasked its subcommittees to start investigating what can be done on some of the factors that have been raised by stakeholders. These committees will also make recommendations for consideration by the IPD.

- **What is being done to restore the credibility of the examination process? Who ensures the examination process is fair for all candidates - e.g. Trainees writing abroad/ trainees who have suffered losses due to COVID-19?**

SAICA's education, training and assessment processes are rigorous, robust, fair and in line with international best practice as outlined by the education standards of the International Federation of Accountants. In particular, SAICA places significant emphasis on the independent processes governing the high standards of SAICA's qualification examinations. This independence is ensured by SAICA working through the Initial Professional Development Committee, an independent committee that takes overall responsibility for setting the APC. This committee ensures that all the principles of assessment are complied with. SAICA will ensure that these processes are in no way compromised.

SAICA also engages with the accredited academic providers and training offices on such matters to ensure that students and trainees are given the best environments to ensure success. To this end, in 2021, SAICA had to move the January ITC to April to ensure that no student was left behind.

- **What were the findings from the independent research study by Mr Nxasana? What were the recommendations from Mr Nxasana?**

It must be noted that the report has to date been shared in confidence with the relevant stakeholders who gave input to the report. The report addresses some issues that are new, and is also recommends certain initiatives, some of which have already been implemented.

Once the report is concluded and deemed comprehensive enough, it will be shared with all stakeholders, especially our members. SAICA will be transparent with the information in the report, but it is still too premature to give detailed feedback in this regard.

- **To what extent were procurement processes a factor in the APC disaster?**

As indicated, the investigation process is ongoing. The forensic investigation service provider is doing follow-up procedures, and we do not currently have a finalised report to communicate.

- **I understand there is an increase in the number of competencies for qualifying. If true, what, if any, is the impact of increasing pressure on the mental wellness of the young aspiring accountants?**

The competencies that are to be developed by prospective CAs(SA) in the CA2025 framework were documented after extensive research and the framework sets out those skills, knowledge, values and attitudes that are expected of entry level CAs(SA). The framework was developed after significant consultation and international benchmarking and has been put in place to ensure that CAs(SA) remain relevant in the future and exponentially changing world of work. The competencies are categorised into the following three areas and these are not developed in isolation (i.e. there is a strong integration between the three categories).

- Professional values and attitudes (Ethics, Citizenship and Lifelong learning)
- Enabling acumens (Decision-making; Business, Digital and Relational acumens)
- Technical competencies

The competencies are developed over both the academic, training and professional programme. A significant effort was and will continue to be made to ensure that the development of these competencies is possible over the qualification period.

It would be difficult to determine whether this represents an increase in the number of competencies that are to be developed because of the nature of the competencies and the way they are to be developed.

The new framework is comparable to other professional organisations with whom we have reciprocity and is considered world-class.

SAICA has a strong focus on Mental Health, and especially during the onset of the global pandemic, we focused on hosting several Mental Wellness Check-In sessions for our members and trainees.

SAICA also hosts regular Trainee Tuesdays, to ensure that our young aspiring accountants have a platform where they are properly supported.

As part of the CAMAF medical aid, members also have access to ICAS who offer a wide variety of psychological support.

SAICA will always prioritise mental health and we will therefore continue focusing on interventions to support our members and trainees.

More information on these initiatives are available on the [website](#).

ORGANISATIONAL SUSTAINABILITY

- **What processes and mechanisms are being put in place to address lack of response to member / training offices queries? Often there is an automated response of 3 - 5 days turnaround time to expect a response and sometimes the responses take weeks. This makes it incredibly difficult to do business, especially when the query is urgent in nature, when relying on support from SAICA as a membership body. The case management on the Member Portal is very slow and ineffective.**

The period from December to February every year is generally characterised by significantly higher than normal enquiry volumes to all SAICA departments, not just the Contact Centre. Traditionally the volumes are caused by the annual membership fee payment deadline and account-related queries at the end of January every year. During this period, the number of support staff in the Contact Centre is increased in anticipation of the expected increase in enquiries. The Contact Centre staff were also required to work throughout the SAICA December shut-down period between Christmas day and New Year's day.

In 2021 however, additional queries were received due to:

- Members must declare their CPD compliance via the Member Portal. This meant that some members tried to access the Portal for the first time and experienced difficulty, leading to an increase in Portal login and access queries. This led to a 94% increase in query volumes.
- The APC exam challenges experienced on 1 December 2021, led to additional queries being logged with SAICA. Exam candidates, families, and firms continued to reach out to SAICA, initially to enquire about what had happened and subsequently to confirm the information as communicated by SAICA to members and also published by the media. The influx of exam queries continued until the re-write of the APC on 30 March 2022.
- As part of the migration to SAICA's new Customer Relations Management system, the deployment of debtors@saica.co.za inboxes were executed on 3 December 2021. That deployment erroneously created an additional increase in the existing queries, which was resolved in March 2022. The backlog of enquiries emailed to the debtors' inbox is currently being attended to.
- A technical issue was experienced with the online Seminars and Events booking platform resulting in increased enquiry volumes from members trying to book for these services. A solution was identified and implemented at the end of March 2022.
- The confusion caused by the hosting of the transactional functionality on separate platforms, namely the old SAICA website and the new Member Portal, has presented

challenges to users caused by the double logins for these two platforms. A combination of these issues has led to an increase in query volumes that we expect will continue until we have migrated all functionality onto a single platform. SAICA is addressing the migration of the old transactional functionality to the new Member Portal.

SAICA understands and accepts that the above-listed issues have led to frustration. SAICA did implement preventative measures for the expected increase in query volumes. However, several unforeseen events occurred over the same period which negated the effectiveness of the preventative measures that were implemented.

SAICA apologises for the delays in responding to members and any inconveniences caused and expects to return to the standard query resolution turnaround time by June 2022.

- **Why was Tonia Jackson's contract / employment with SAICA terminated despite us being in the process of implementing CA2025? My understanding is that Tonia Jackson resigned because of an unacceptable management style / infrastructure within SAICA. What has been done by SAICA to fully understand her reasons for resignation and then what is being done to address these?**

It should be noted that Coach Creative was appointed as a commercial supplier to SAICA to fulfill the capacity required in the role of Project Director: Training.

A notification was received by Coach Creative on the 14th of January 2022, advising that they would be terminating their contract with SAICA, effective 14th April 2022, serving their required 90 days' notice as per the commercial agreement.

As such, Tonia Jackson, the lead independent contractor in Coach Creative, was not invited to an exit interview, as is the process followed for SAICA's permanent employees and employees on fixed-term contracts following resignations.

In this regard, SAICA accordingly did not conduct an exit interview with Tonia Jackson when she left SAICA.

- **Why has a new Project Director for training not yet been appointed?**

A new Project Director: Training has been appointed and the individual joined SAICA on 1 June 2022.

- **Why are we still continuing with Ushintsho? How much has been spent on Ushintsho so far? Can you take some time to explain what exactly we have benefited from this as members?**

It is important that the context and approach of delivering Ushintsho is explained and appreciated. The programme's blueprint outlines a six-stage plan through which the Ushintsho objectives will be delivered, with the various stages dependent on each other. All the key challenges currently being experienced can only be addressed upon completion of all the stages:

1. The overly complicated and outdated architecture under which the SAICA business operates makes the IT environment susceptible to downtime;
2. Many of the IT applications at SAICA were sourced from various technology providers, local and international, some of whom are no longer in business. The shortage within SAICA and the broader market of experienced personnel who can support the legacy systems results in reoccurring system outages which take long to resolve;
3. Due to the disconnect in the current systems, there is no single view of the member's interactions with SAICA. Information about a member's interactions with SAICA currently sits on different systems that are not integrated, which results in fragmented service to members and ultimately an unpleasant member experience.

To address the challenges outlined above, an updated Customer Relationship Management (CRM) system, called Microsoft Dynamics 365 has to be implemented as part of the digital transformation of SAICA.

Ushintsho Stage 1, which was completed at the end of 2020, saw the implementation of the Member Portal functionalities that enable improved engagement with the members. The Contact Centre and Membership Administration functionalities were added to Dynamics 365. This benefits members as it gives a single view of each member's engagement with SAICA. The Stage 1 budgeted cost was approximately R33 million and it was delivered according to the agreed Statement of Work with the suppliers at a cost of R28 million.

Stage 2 is currently still underway, however, we experienced multiple staff resignations in our IT team over the last two years, resulting in the loss of critical technical skills and institutional programme knowledge. Given the amount of time it takes to bring new staff on board, we have not managed to progress with Stage 2 as originally planned. We do have a plan of action to keep employees in this space so that we will not have to deal with similar problems going forward.

In addition, we encountered some difficulty with the service provider, but we have not paid for any Stage 2 implementations that have not been delivered.

So far, we have paid R16 million for Stage 2. The total budget for Stage 2 is R38 million.

We are also in the process of implementing our new financial system, which is dependent on the CRM/D365 implementation that is happening through the Ushintsho project. The implementation of other projects outside of Ushintsho is also critical to ensuring that the D365 system works efficiently. Discontinuing Ushintsho at the stage we are at will result in financial losses, as there are dependencies between what has already been delivered and other projects that currently underway. Ushintsho will have to be implemented in its totality in order to optimally realise the benefits of the investment already made.

- **What are the other projects outside of Ushintsho? A significant amount is being spent on Ushintsho, however with the change in the training office, very little CA2025 support is being provided.**

As mentioned, the financial system forms part of other projects outside of Ushintsho. The Electronic Assessment Tool also forms part of 'other projects' outside of Ushintsho that are dependent on the D365 implementation.

Learning, Training and Education capabilities are expected to be implemented in Stage 3 of Ushintsho, subject to budget approval.

- **What is the Board's understanding of the impact of the new Electronic Assessment Tool on training offices and the assessment and development of trainees?**

The Electronic Assessment Tool provides a better way of assessing candidates in terms of their competencies, how they are learning on the job, and it is also giving live data.

Historically, SAICA had to rely on what training offices have been telling us, rather than on live, real-time data regarding each trainee and how their learning experience is taking place.

The Electronic Assessment tool is in line with CA2025, which will further assist us to collaborate with training offices to create new chartered accountants that will be relevant for the future.

- **What was the original budget for all the phases of Ushintsho? What percentage of that budget has been spent already, and how much in total are we still to spend?**

The Ushintsho project was approved by the previous Board. A budget of R75 million was approved for Stages 1 and 2. The budget was only approved until the end of Stage 2. To date, we have spent 34% of the Stage 2 budget. In Stage 1, we spent R28 million of a R33 million budget, and were therefore left with a small surplus.

Given that the project needs to be further streamlined for Stages 3 to 6, we do not have an approved budget as yet.

- **The fact that the B-BBEE rating has decreased is something that could have been avoided. Did SAICA know this would happen before verification took place?**

The Chairman outlined in detail the B-BBEE rating and improvement measures in his AGM address.

In summary, two factors affected SAICA's B-BBEE score:

1. SAICA is using a generic B-BBEE scorecard, not a specific industry scorecard. The Department of Trade, Industry and Competition wanted the other professional bodies to also use this scorecard, but it was never gazetted in time and has subsequently disadvantaged SAICA.
2. To qualify for points in the B-BBEE space, you need to have provided skills development to qualifying members of staff. The amount needed to be spent to get to the certain number of points, will need to come from an organisation's surplus. Given the size of SAICA, the fact that we are an NPO, and the composition of its employees, the institute

is not able to spend to the extent that is required, when compared to other corporate entities.

As mentioned in the Chairman's address, there are interventions put in place, and those interventions suggest that our B-BBEE numbers will improve in the near future.

In addition, SAICA will advocate for the sector-specific B-BBEE scorecard to be gazetted.

- **Is Training and Development the only area we lost points in the B-BBEE verification?**

Training and Development is not the only area where we lost points in the B-BBEE verification. We also lost points in the Enterprise Supplier Development category.

- **CAs(SA) are expected to assist their clients with regards to B-BBEE and it is concerning that SAICA could not manage its own B-BBEE rating?**

The fact that our B-BBEE rating has digressed remains a concern, hence we have an action plan to address this and we should be able to see results in the coming year.

- **How are STIs paid out when there is little to no progress in the IT systems which underpin everything?**

SAICA is guided by its remuneration policy, which means there are processes in place to ensure the fairness of STIs and how they are awarded. In this instance, the Board approved that only the lower grade employees who do not form part of management should receive STIs.

- **Many employers have implemented decreased salaries. What is SAICA's position in these tough times?**

From a remuneration point of view, SAICA staff increases are in line with the increase in inflation. Regarding SAICA's overall performance, senior management have not received short-term incentives.

- **A comment on IT issues: Perhaps the Board needs to consider hiring a full-time IT executive who will be part of EXCO considering the importance and significant spending in this area.**

We note the comment, thank you.

- **For the next AGM, if it is still held remotely, please could we do away with the Webcast platform and use a platform which allows for verbal communication?**

Noted, thank you.

- **To what extent do C-level Executives serve on other boards / projects? How many hours are allocated outside SAICA annually?**

For the CEO to sit on any Boards, the Board Chairman will need to give approval. We confirm that there has been no request in this regard.

The Nominations and Governance Committee also look at conflict of interest, especially among the C-level executives, especially those serving at board level. Their commitments do not exceed those that would hinder them in delivering on SAICA's strategy.

QUESTIONS FOR THE BOARD

- **Can the Board please provide the detailed terms of reference of the Education and Assessment Ad hoc committee that is being established. How does this fit in with the role and terms of reference and delegated authority of the existing IPD committee and the need for there to be independence between the Board and the outcome of matters such as exam results?**

From a corporate governance perspective, our focus as SAICA is not only the protection of the CA(SA) brand, but also to produce CAs(SA). All our CAs(SA) need to go through a proper education and assessment process.

The IPD will continue to serve as a management committee which reports to Exco, while the Education and Assessment Committee is anticipated to be a Board committee, that will provide the Board with more extensive oversight.

SAICA is currently in the process of determining the committee's terms of reference.

- **My question relates to the IPD. My understanding has always been, through my work with SAICA over the years, that the IPD is a Board committee. When did this change?**

SAICA has done a governance review, and it was pointed out that the IPD is positioned as a prescribed committee without direct Board oversight. The IPD is therefore a management committee that reports to Exco, as mentioned above.

- **Will the outcome of the 2021 APC investigation be made available to members? Or will it only be made available to the extent that the Board feels it is necessary? This contradicts the principles of being straightforward and honest with members.**

The investigation is still ongoing and currently, all information related to the investigation is privileged. SAICA will share the necessary information with members and stakeholders once the investigation has concluded.

The investigative process is overseen by the Audit and Risk Committee (AudCo). SAICA assures members that the process is fair and thorough. The first draft of the report was shared with stakeholders in confidence and further queries were raised and follow-up investigations are necessary. SAICA wants to ensure that when it comes to accountability, we are able to provide clear answers to members as expected.

Once the investigation is complete, the report will be evaluated by the Board and the outcomes will be disclosed as appropriate.

Information in the report may refer to disciplinary action for some individuals, in which case it would not be appropriate to disclose its details until the investigations and disciplinary hearings in this regard have been concluded.

The principle of transparency is applied by the Board and SAICA, and the purpose is not to hide anything, but rather to practice due care. POPI compliance and legal privilege and due process have to be considered in this regard.

- **The Resolution 8 general information refers to creation of a sub-committee of the Board. Existing committees and sub-committees are served on by members who invest significant time without being remunerated. Is resolution 8 also asking us to approve paying Board members for attendance of sub-committee meetings that seem to be attending to similar matters that the existing committees address?**

The Governance Review Task Team resulted in the new Board. The Remuneration of Board members was discussed during the Governance Review. Sub-committees do not address the same matters that the Board deals with from a governance perspective. They do however play a significant oversight role in helping the Board to deliver on its mandate. This is common Board practice across all industries.

- **Regarding Resolution 8: Does the Board oversight role include responding to queries and risks raised by the non-remunerated sub-committees?**

For all operational matters, queries and risks are directed to management. The Board plays an oversight role that allows management to execute the strategy, therefore queries and risks of a strategic nature will be directed to the Board by management as appropriate.

- **Based on the earlier answer about the non-paid committees' ability to raise key risks to the Board, I am concerned regarding the apparent disconnect between the Board and management and the Board and operational committees. If the risk is raised internally and this does not allow for escalation to the Board there has to be a mechanism for committees to raise concerns directly with the Board.**

How does the Board ensure as part of its oversight that it is aware of all key risks.

AudCo oversees the enterprise risk management and we are duly informed at Board level. Risks will continue receiving our utmost attention to ensure that they are properly managed.

- **Could you please clarify for resolution 9 what we are being asked to approve? The principle, the percentage increases or the approach to bonuses for various levels? E.G. I do not agree with a 20% bonus differential between the lowest and highest grades of staff. I believe the same percentage should apply for all job grades at each performance level. There is already a differential between the remuneration for job grades.**

The context of the Resolution needs to be noted: it is good practice in terms of King IV™ that there is a consideration at the AGM of the remuneration policies and practices. This is subject to a non-binding vote at the AGM. The overall intention is to consider the policy and approach, rather than the detail of it. The practice and implementation of this policy will depend on the outcome of the vote.

Is this Remuneration policy a binding or non-binding vote?

The Constitution requires for this to be a special non-binding vote at the AGM.

- **As a member of Training Programme Sub-committee, I am concerned that risks identified by the committee and raised to the highest levels of management have not even been acknowledged.**

AudCo plays an oversight role in strategic risks. If there are operational risks that have a material risk to SAICA, they are elevated upwards to the Board's attention to ensure that it's managed appropriately.

The SAICA Exco plays a crucial role in elevating the relevant risks to AudCo.

SAICA undergoes an annual risk assessment process that takes into account all the different structures operationally. If there are gaps in terms of the elevation of risks, we will look at closing those gaps.

The Board notes the concern and we will address the apparent gaps that you are alluding to.

- **How often does the Board undergo independent Board effectiveness evaluation? If these happen, do they get shared with members even if on a sanitised basis to provide comfort to the members?**

KING IV™ requires that we do bi-annual Board effectiveness evaluations. At SAICA, we do it annually and the results are made available to members.

- **Please explain the process that the Nominations and Governance Committee followed in appointing board members? Following ABASA's queries regarding the flaws in the process, why is the Board refusing to set aside the process in order to provide all candidates a fair opportunity to be selected to the Board.**

The matter has been brought to the attention of the Board. There hasn't been confirmation that there has indeed been an error and the CEO has been requested to investigate the matter further and report his findings to the Board.

- **Surely good governance dictates that members should choose one of 2 candidates for a Board position rather than 3 candidates for 4 positions. Nominations committee, please implement such a policy in future.**

The comment is noted, and SAICA will consider it going forward. Thank you.

- **Will the Board appointments be valid, if indeed an error in the nominations process has been made?**

A comment in this regard has been brought to our attention and we are investigating the validity thereof.

From a governance point of view, we follow a detailed Board nominations process. The process is set out in the SAICA Constitution, the by-laws as well as in the terms of reference of the Nominations and Governance Committee of SAICA. The process is further covered in the Charter of the National Council.

During this process, the nominations, interviews, and considerations, as well as the balance of the Board in terms of race, gender, and skills are evaluated.

After this careful and detailed consideration, the proposal for candidates is made to the National Council where various constituencies are present and they are allowed to provide input to the process.

These nominees are then presented to the Board, with the relevant feedback from National Council.

This is then followed by a vote from members.

SAICA is therefore comfortable that the appropriate governance processes were followed.

- **Why would you investigate something you have "no concern" over as stated by the company secretariat?**

At the moment, there is nothing that we need to investigate in terms of the process we followed. As a Board, we take these allegations seriously, but as mentioned, due process from a governance perspective has been followed. We will however engage with the individual who made the comment to ensure that the matter is properly addressed.

- **Does the Board agree they are ultimately accountable for the APC fiasco? Will they agree to fully share the investigation report, and step down should the Board be found to be delinquent?**

The Board is the highest authority of all strategic activities in SAICA. The APC is an operational matter. The involvement of the Board in this regard is at the level of oversight. In the matter of the APC, the issues that arose were at an operational level and came to the Board's attention after the event. As such, the Board's involvement was at the level of providing strategic guidance to management regarding SAICA's response to these events.

As communicated, to avoid the reoccurrence of such an event, it is important for the Board to fully understand the causes and an investigative report is being prepared for the Board's consideration. Once considered, the Board will take the appropriate actions as necessary, in addition to the disciplinary hearings.