



CEO Roadshows
3 October 2023
Questions by members
South Africa and EMEA

The questions below were raised by members before the CEO roadshow that took place on 3 October 2023. The relevant executives provided the answers.

1. How can SAICA's district committees become more effective and empowered to serve the members?

Effective engagement at the district level is vital in understanding the support that members require and the challenges members face, particularly in areas where challenges are localised. District committees play an important role in facilitating this understanding. To enable districts to be more member-focused, SAICA is working with Regional Councils to update the District Terms of Reference documents, a process that should be completed by the end of 2023. The new Terms of Reference is based on a model that the Central Region adopted several years ago, and which has proven to be effective. It enables increased agility, flexibility, and member engagement and focus, while significantly reducing the administrative requirements that were previously in place.

2. Is it still viable to be a professional in regulated industries when rules are so strict, penalties so harsh and regulators so quick to pull the trigger, often unscrupulously?

In a recent study by the International Federation of Accountants (IFAC), of which SAICA is a founding member, it was estimated that the world needs 10 million accountants. We are currently around 6 million accountants short of that global target. While the regulatory environment is certainly more stringent than it was years ago, it does largely need to be to at least attempt to root out incidents of corruption, non-compliance and non-performance that have led to incidents of degradation of the profession and its reputation. These conditions, while challenging no doubt, also serve as opportunities for professional accountants to add value to their clients and serve on behalf of their clients and assist their clients in navigating reporting and compliance requirements for a reasonable fee. It is an area that SAICA, through its numerous stakeholder touchpoints, continues to advocate for its members on behalf of the profession.

3. Could SAICA conduct a research exercise on whether professionals believe the government is milking soft targets within the population, for example, targeting those who can pay for raising harsh penalties and fines as part of a well-orchestrated plan to collect as much income as possible? Good examples are SARS, traffic officers, the police, the department of labour, etc. It appears their efforts are skewed away from improvements for all, and they are rather targeting matters through which they can achieve the highest income.

The recommended research may result in a research bias, which may ultimately result in a skewed conclusion. SAICA acknowledges the member's concerns and has noted that fees charged by the government are legislated and do not generally reflect income brackets unless in exceptional instances such as taxes. SAICA engages government through various platforms to address high fees/taxes, including making submissions on whether too much tax is harmful. SAICA has raised this debate. There is also ongoing engagements with SARS regarding service levels to the public.

4. What is the strategy for SAICA in the economy of the future: The Digital Economy?

SAICA focuses on how we transact, and how the various transaction streams, methodologies, and technologies are part of what we as accountants face both now and will face well into the future. SAICA will seek to further keep members abreast of these developments, and ensure our core offerings, such as the in-practice offerings, focus on the digital economy. Crypto-based transactions will continue to be

elevated and highlighted in our publications and advocacy efforts with the likes of regulators and banks will have an enhanced focus. SAICA is on an internal digital journey too, and signature technology events such as Finance Leaders and Cloud in Practice will continue to focus on future trends and technologies linked to the digital economy.

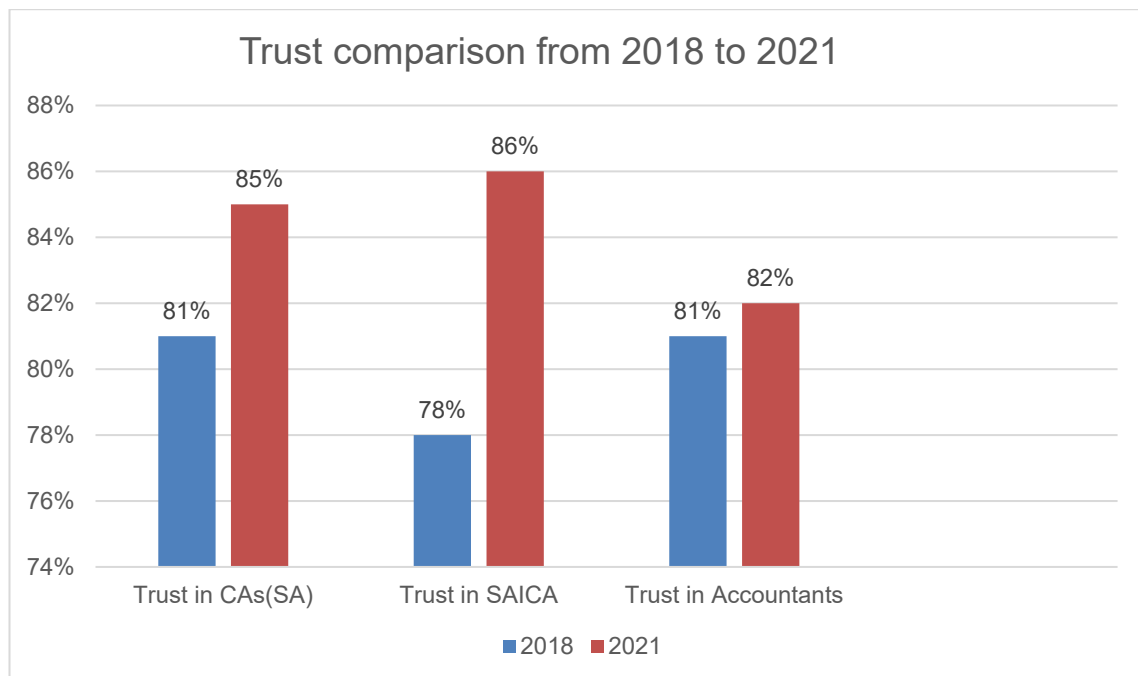
5. Freeman, which accomplishment are you most proud of during your tenure as the CEO of SAICA?

There are many things that SAICA has accomplished during my tenure as the CEO, but for me, personally, four things stand out.

i. Trust in SAICA and the CA(SA) designation

SAICA has been no stranger to negative media reports due to a small number of our members who are alleged to have been involved in unethical activities. SAICA has been working on implementing a strategic trust reconstruction programme since the first negative reports started circulating in 2017.

Since 2018, SAICA has been part of a global Trust research project in collaboration with Chartered Accountants Worldwide. This research, conducted by Edelman, measures trust in the various chartered accountancy institutes as well as the chartered accountant designations worldwide. The results have proven to be particularly positive for SAICA and the CA(SA) designation over the last few years.



Note: SAICA did not take part in the survey in 2019, and no survey was done in 2020.

On 18 October, which is also Global Ethics Day, we will release the 2023 results, which is extremely positive for SAICA. You can book for our Ethics event on the 18th, during which the results will be released, or you can engage with our social media channels, website, or newsletter to read the results for yourself.

ii. Growth and Transformation



SAICA

DIFFERENCE
MAKERS™

Growth and transformation remain a key strategic pillar in SAICA's corporate strategy. I am thankful that our transformation efforts are proving successful, although we still have a long road to travel in this regard. In 2019, 53% of new members who qualified, were African, Coloured or Indian, and in 2022, that number increased by 10% to 63%.

iii. Ushintsho

Our Ushintsho project, which forms part of SAICA's overall Digital Transformation Programme, experienced a few challenges during the first stage of the project. I am happy to report that we have since been able to bring a new service provider on board, allowing us to deliver the project at a much lower cost than initially planned.

iv. Discipline and Accountability

To date, SAICA is the only organisation in South Africa who have acted on recommendations made by the Zondo commission. SAICA continues to take seriously all matters of alleged malfeasance against our members, and will continue to hold those to account who bring this profession into disrepute.

6. Why is there such an acute lack of guidance from SAICA on the compliance requirements relating to the beneficial ownership submissions that have to be made and the new accountable institutions provisions of the FIC Act?

SAICA disagrees that there has been a lack of guidance in this regard. The following measures and activities have taken place in this space:

- a. Dedicated portal on the website with links to detailed information:
<https://www.saica.org.za/anti-money-laundering-aml>
- b. Regular updates in the Standards and Legislation newsletters
- c. Monthly updates and guidance from the various regulators and in this area, notably including beneficial ownership.

Given how rapidly the space is developing, it is not practically possible to put guidance out as almost as soon as it is released; it would be outdated, hence the continuous monthly products and updates. The SAICA team has also been in regular dialogue and advocacy-related activities with the legislators and regulators.

However, the point is noted that members will continuously need support in this growing compliance area, and we are in the process of developing an additional in-practice monthly product to further assist members in complying with the anti-money laundering type mechanisms.

Lastly, in our numerous discussions with the FIC, they have emphasised that only the FIC itself is empowered to put out or publish guidance and support – that is why we bring the FIC and CIPC and their webinars to the membership. We are in continuous contact with the regulators in this area and are keeping them up to speed with the concerns from the accountancy profession. For example, the recently published FIC Guidance, Public Compliance Communication 6A, Guidance on Trust and Company Service Providers for the Purpose of Schedule 1 of FIC Act, address some issues that SAICA raised with the FIC.

Starting in November, SAICA is also introducing a monthly series, Compliance in Practice, which is aimed at addressing practical compliance and legislation matters from members.

7. Can you describe your ESG strategy and its success in the context of the broader economy?

SAICA, through its prescribed Sustainability Committee, is closely tracking the developments in the ESG and sustainability spaces, which has been well documented. In addition, we have hosted

numerous events, including launching the new global sustainability standards in South Africa in June 2023.

A detailed and dedicated webpage has been created too. You can access it here:

<https://www.saica.org.za/initiatives/sustainability/sustainability-reporting>