

QUESTIONS RAISED BY MEMBERS BEFORE THE 2023 AGM

The questions below were raised by members before the Annual General Meeting, scheduled to take place on 25 May 2023.

The relevant executives have answered the questions.

- 1. How is the Institute practically assisting struggling Black CAs(SA) in setting up consulting firms in their effort of creating employment through their offering to the public? Is it not time that we have an SMP support desk as the current Member Portal system is impersonal and sometimes the response time is slow?**

SAICA's Enterprise Development team aims to grow South Africa's entrepreneurial ecosystem by advancing the sustainable growth of small Black businesses, which in turn will create employment opportunities. This is achieved through the back office and other administrative support. SAICA Enterprise Development partners with SAICA-associated small and medium practices (SMPs) and other groups within SAICA to achieve financial excellence in small, medium, and micro enterprises and entrepreneurial incubators nationwide. You can get in touch with the Enterprise Development team by sending an email to enquiries@saicaed.co.za, or via the [SAICA website](#).

SAICA also offers its office facilities to members at far-reduced rental rates. In this way, members have a space where they can have meetings in a professional and technologically equipped environment.

In addition, SAICA has a practices division/unit that supports new and existing SMPs with their various needs. This unit can be contacted at denisem@saica.co.za.

- 2. Please give some feedback as to when the ongoing IT and website problems will be resolved?**

The project to consolidate the two website systems into one is well underway and is expected to be concluded in the month of June. This should address the current website challenges that members are experiencing.

- 3. What actions will be implemented to address the increase in unethical behaviour during exams coming from trainees?**

There is no unethical behaviour in the SAICA ITC and APC exams. A few years ago there was an incident involving trainees from one training office, which was addressed at the time.

There have also been some reports from educational institutions, specifically in the last few years with the issue of online exams.

All universities, except for distance learning providers have in-person exams for exit-level exams. (Unethical behaviour is limited where in-person exams take place). Distance learning providers use software and processes that detect behaviour which is considered “suspicious”, and all cases are then investigated.

SAICA manages and responds to these challenges through the accreditation process.

4. What role does the Board see with technology advancement - AI (ChatGPT e.g), 4IR or is there no significant impact on the profession or learning going forward?

Technology has a significant impact on how we work, which is why SAICA included digital acumen as one of the four main pillars in its competency framework. The other pillars are relational acumen, decision-making acumen, and business acumen. [SAICA's website](#) provides more detail on the competency framework.

In addition, SAICA is currently facilitating discussions with universities as they consider how the development of AI such as ChatGPT will affect learning and development processes.

A few years ago, SAICA also launched online learning programmes in collaboration with the University of Johannesburg in this regard. There is more information about these programmes on the [SAICA website](#).

5. How are Board members', as well as Senior Executives' performance measured and how are they held accountable?

SAICA Executive Directors and Executives are measured according to the organisational scorecard, which is aligned with the SAICA strategy. This scorecard is then cascaded to the individual employees and is evaluated continuously and managed through quarterly reporting to the Board.

Performance reviews are conducted twice a year. This is in addition to quarterly reporting and ongoing tracking of the divisional and individual scorecards throughout the financial year. At the end of the year, an external assurance provider audits the overall performance. This process is governed by the Performance Management Policy and the Remuneration and Reward Policy.

Regarding the Board's performance, King IV recommends that a formal evaluation process be conducted to evaluate the performance of the governing body of a company at least every two years. Every alternate year, the governing body should schedule an opportunity for consideration, reflection, and discussion of its performance. The Board conducted a formal evaluation of its performance in 2021 and reflected and discussed the results at its meeting on 19 April 2022. Considering the extraordinary number of new appointments to the Board in 2022 and in accordance with best practice, no performance evaluation was conducted for 2022.

6. How are we leading by example by dealing with members involved in fraud/state capture, corporate scandals? Is there awareness at university level? Can there not be pre-screening from an ethics perspective before becoming a CA(SA)? Why don't the penalties increase, making it unattractive to steal?

SAICA investigates all matters in which our members are implicated and holds members accountable without fear or favour. All our members subscribe to the SAICA Code of Professional Conduct.

Ethics are also an integral part of SAICA's competency framework, widely known as the CA2025. SAICA ensures that the importance of ethics is stressed at an academic level and is taught in practical ways. This is the same at a training contract level. SAICA also hosts various seminars and webinars with trainees to ensure that ethical behaviour forms a critical part of their thinking and preparation before joining the profession.

All prospective members are obliged to answer specific screening questions regarding their ethical background before their new member application process is completed.

Penalties are considered on a case-by-case basis. In 2016, the Board approved the maximum fines that are allowed. For the Professional Conduct Committee (PCC), it is R250 000 per fine or per charge and R500 000 per charge for the Disciplinary Committee (DC). That has not changed since 2016. The disciplinary code in the revised by-laws has a schedule of fines that are recommended for the PCC to impose. These were tabled at the Board and the Board approved the schedules. These again are a guideline for the PCC. What is important to remember is that it is not SAICA itself that is imposing these fines, but rather the independent PCC and DC. They decide what is appropriate. Although SAICA is a party to the proceedings and we make our motivations as appropriate, the PCC and the DC make the final decisions. They can entirely suspend the fine or they can suspend a portion of it.

7. Please may the Chairperson/CEO explain the purpose, responsibilities, accountabilities, and authority from the District level right up to Council and Board?

The purpose and responsibilities, accountabilities, and authority within SAICA is determined by its Constitutional documents. The current Constitutional powers enquired about are the following:

Regional Councils and Districts

The primary role of the Regional Council is to facilitate the active participation of members in regional, functional and technical committees, and to work in conjunction with the regional office of the Institute to implement national strategy through facilitating appropriate activities at a

regional and district level, including networking, knowledge sharing and social and community-based activities. (See par 6.1 -SAICA By-laws)

The Council

The mandate of the Council is captured in par. 4 of its Charter.

4.1 The function and mandate of the Council is as follows:

4.1.1 to serve as a consultative forum to consider and advise the Board on matters relating to the long-term strategy of the Institute and the profession;

4.1.2 to represent members' and associates' interests facilitated through input from the Regional Councils and other relevant sources and communicated by the Council to the Board and management;

4.1.3 to identify new interest groups and recommend these to the Board for representation on the Council;

4.1.4 to provide input to the Nomination and Governance Committee for the appointment of members to the Board;

4.1.5 to consider and advise the Board on the award of honorary life membership to members; and

4.1.6 to recommend changes to the Code of Professional Conduct for approval by the Board.

4.1.7 to temporarily assume the powers and functions of the Board if the majority of the members of the Board resign or are removed and are not replaced in accordance with the provisions of the Constitution and the By-laws until such time as a new Board can be appointed.

8. Please talk about SAICA`s need to very quickly resolve its unsatisfactory service to members, caused mainly by both a number of SAICA`s IT systems and processes being sub-optimal and also by the perceived shortage of adequately trained staff in certain Head Office departments, leading to poor/slow service.

Regarding the perceived shortage of staff, there has been a robust effort to fill vacancies over the last few months. At the higher management levels of SAICA, we have filled most of the vacancies. Every staff member is required to have a personal development plan to address any current and future skills gap and is supported in implementing these.

To create and support a service-oriented culture, SAICA is implementing the SAICA MIPART values project, which speaks to the expectation for staff to live according to the values: Member centricity, Integrity, Professional behaviour, Accountability, Respect, and Transparency. This is to ensure that SAICA employees put the members' interest first and improve service delivery.

The events booking system, which has been a major source of frustration to members, is being tested and refined for roll-out no later than June 2023. Other digital support applications, like the Finance and Operations system, have already been successfully deployed. This will enhance the efficacy of the roll-out of the remaining applications.

9. Please comment on why SAICA is not doing enough to safeguard the reputation of the SAICA brand:

Criticism has been received regarding both:

- a. “not fully controllable” issues e.g., matters like Steinhoff, VBS, and similar problems (in which SAICA is seen as not having been proactive/energetic enough in dealing with the challenges), and**
- b. “fully controllable” matters, where SAICA is seen to have “shot itself in the foot” e.g., the APC exam debacle and the regrettable way that SAICA handled/is handling the Tax Practitioner disciplinary issues.**

SAICA annually implements 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 organising concept that was launched in 2021 through thought leadership and member profile articles. The Difference Makers organising concept is a global promotional effort, run by Chartered Accountants Worldwide.

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. In 2022, only 5% of all SAICA media exposure was negative, with the positive exposure clearly outweighing the negative exposure.

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. Below is a results comparison of the last four years:

	Stakeholder	2022	2021	2020	2019
Brand strength of the CA(SA) designation					
• Spontaneous Awareness Index	Business decision makers	92%	94%	90%	87%
• Preference in Employees Index		75%	78%	74%	67%
• Net Promotor Score		34%	29%	37%	36%
• Trust Index		83%	83%	84%	80%
• Admiration Index		70%	73%	68%	68%

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 challenge SAICA had with the APC examination also contributed significantly to these scores. SAICA is currently implementing a Net Promoter Score (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 low numbers 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 at the end of 2023.

In addition, every two years SAICA takes part in the global brand trust survey with Chartered Accountants Worldwide, which is conducted independently by Edelman. The most recent survey, conducted in 2021, showed the following results:

Globally, South Africa was the strongest-performing country.

- **Trust in Chartered Accountants** proved more resilient than the profession more broadly, strengthening across most markets. The global average for trust in chartered accountants was 78%, while trust in South African CAs(SA) improved to 85% from 81% in 2018.
- **Trust in CA bodies** also remained high across markets, with a global average of 77% trust in CA bodies, with SAICA coming out on top with 86% (from 78% in 2018).

Regarding the Tax Practitioner disciplinarys, SAICA has addressed the concerns raised by members and implemented a revised and reasonable sanction dispensation. SAICA is currently considering the governance processes that require review in order to avoid the recurrence of the problem.

10. There seems to be no accountability regarding the major delays in Ushintsho and the cost thereof.

The delays on Ushintsho are being addressed end to end. The process revision in order to fast-track delivery of the project is already yielding cost savings and will result in the project being delivered at a significantly lower cost than originally expected. It is expected that the whole project will be completed by mid-2025.

The manner in which the project was originally structured was to effect payments only on delivery – and thus no cost escalation was experienced. The only risk that SAICA carried was on the foreign exchange movements.

The project is governed by the normal SAICA governance processes.

11. What is SAICA’s strategy to deal with “inhouse” threats like the IRBA’s decision to accredit ACCAs rather than market to more CAs(SA)?

Unfortunately, SAICA cannot keep IRBA from accrediting other professional bodies, we can only focus on ensuring our offering remains superior and that the marketplace knows this. SAICA will continue to promote our brand and quality, which is based on a robust competency framework.

12. What is SAICA’s strategy to deal with the “overregulation” by the IRBA threatening the existence of the auditor in SA?

SAICA has regular engagements with the IRBA in multiple formats. SAICA’s prescribed Audit Guidance Committee (AGC) comments regularly to the IRBA and advocated numerous positions on behalf of the membership from a technical perspective. The SAICA Standards team also has a quarterly engagement with the IRBA’s regulatory and inspections team to continuously work on updating the FAQ documents that SAICA produces to assist members, based on the latest audit

inspection findings. SAICA further invites the IRBA to attend special meetings of its Senior Partners Forum (SPF), AGC and Audit Leaders Forum (ALF). Through these forums, the regulation of the profession and the resultant findings is a continuous discussion point, and SAICA has built audit reform as a strategic initiative into its strategy.

13. What is SAICA's strategy to put the CA(SA) back on the international map?

The CA(SA) designation has never lost its international relevance, as indicated in the Edelman research results mentioned in the answer to question 9. Our members are still highly revered.

In addition, SAICA has reciprocity agreements with 15 professional bodies in other countries, which means our members enjoy international mobility. None of the reciprocal agreements have been cancelled by our reciprocal partners.

Our reciprocity agreements include an agreement with the USA, where members now enjoy a much quicker process to being recognised. More information on SAICA's reciprocity agreements can be found on the [website](#).

14. What is SAICA's strategy to develop a proper triangle of membership numbers between AT, AGA and CA – we have had an upside-down triangle now for the past 15+ years?

The CA(SA) designation is decades old, whereas the other designations are much younger. The marketing strategy to improve take-up and recognition of the AGA(SA) and AT(SA) designations to establish themselves in the marketplace and continue growing is ongoing.

The [SAICA Member Value Proposition](#) does speak to the value that all members and associates can enjoy.

15. What is SAICA's strategy to deal with the administrative, time, and cost burden of CA2025?

SAICA has worked towards the implementation of a more relevant and fit-for-purpose competency framework since 2016. The need to develop competencies (knowledge, skills, attributes and values) that are relevant to the current world of work assists in maintaining the relevance and employability of Chartered Accountants.

Implementation is at the following stages:

Academic programme – providers have been implementing this from the first year of the B Comm since 2021. SAICA supports/has supported providers by holding a number of engagements with academic providers including workshops, establishment of Communities of Best Practice, and ongoing sharing of what each provider is doing in respect of the new competency framework. While each provider is on their own journey, this has been a great opportunity for them to reflect on what they are teaching as well as how they are delivering their programmes and has been received very positively. Progress on the implementation of the new

competency framework is also monitored through SAICA's ongoing accreditation process. This level of support is appropriate given that SAICA does not deliver this component of the qualification process. In 2022 and into 2023 the guidance document to assist academic programmes has been reviewed to address matters of clarity as well as overload. This guidance will continue to be refined with input from the relevant stakeholders.

Training programme – implementation of the new framework started in 2022. SAICA provided a variety of support during 2022 which continues in 2023. Support includes the following: One-on-one consultation sessions (with specifically trained consultants) to address implementation challenges; ongoing group discussion sessions where training officers can share their experiences and learn from one another; specifically developed training videos for all stakeholders in the assessment process; and an online query functionality on the Electronic Assessment Tool (EAT). The EAT was specifically developed to enhance best practice in workplace assessment and replaces the need for training offices to pay for the use of a tool that can drive ongoing and regular feedback to trainees (to aid their development of professional competence) as well as capture the necessary evidence to measure that development of the competencies has taken place.

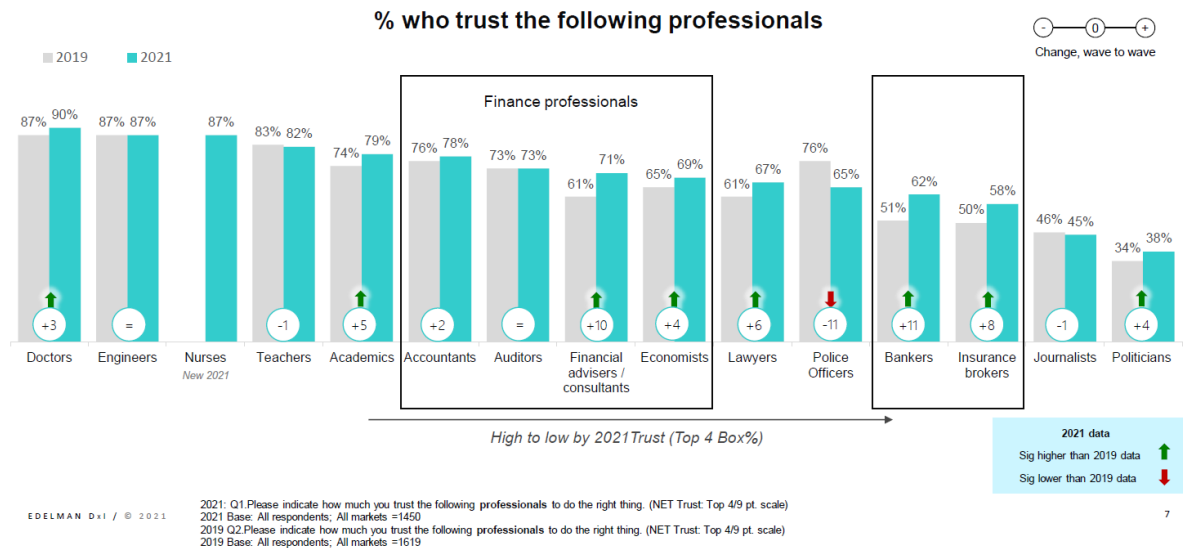
SAICA has since quarter four of 2022 been engaging with training officers to obtain their feedback on the implementation of this new competency framework. We see ongoing feedback as a critical part of ensuring that we maintain a fit-for-purpose assessment process. As a result of this feedback, we are currently in the process of reviewing all aspects of the training programme, particularly the implementation of CA2025 to address the challenges being faced by training officers. For example, a few ongoing minor changes have been suggested in respect of the EAT which have been logged and are in the process of being developed and rolled out. SAICA continues to look for ways in which it can support the implementation of the new competency framework across its key stakeholders.

16. What is SAICA's strategy to bring back the exclusivity of the designation as the profession is under severe price pressure with many members exaggerating the situation through low-balling. This makes the profession cheap. Other professions like lawyers, engineers, health, actuaries, etc. are not suffering the same situation at all.

The reference to reputation management has been answered in question 9 above.

Regarding our profession's value in comparison to other professions, the outcome of the Edelman research is clear:

Accountants continue to be the most trusted finance professionals



SAICA will take part in the 2023 Edelman research project, which will provide an update to the results shared above.

17. Can the Chairman comment on the profession’s Global Competitiveness Ranking?

This question has already been answered in questions 9 and 13.

18. Why did SAICA not find out that the IRBA had overcharged the membership by R60 million?

This matter is somewhat removed from SAICA’s immediate sphere of influence and control.

19. Does SAICA still have the ability and will to influence key stakeholders on behalf of members? Background: Members are losing trust in SAICA’s ability to influence the IRBA on their behalf, especially with the perception of ‘over regulation’ and audits not being done as a statutory obligation, that adds value to society, but rather to satisfy IRBA’s reviews and checklists.

SAICA and the IRBA's relationship has improved over the years. However, the IRBA reserves the right to make decisions as they see fit. We cannot dictate to the IRBA. SAICA will continue to advocate for a just and reasonable regulatory dispensation.

20. I would like us to please table member engagement at the upcoming SAICA AGM.

Acknowledging that SAICA has done an amazing job at increasing the technical support that SAICA offers its members, we need to turn attention to the practical, physical impact of face-to-face engagement.

From engaging on the SAICA website with the inability to easily reset your password to more than one website for different things. This has become increasingly important considering that most technical engagements make use of online booking systems. There should be one sign-in system only.

Regarding pride, recognition, networking and engagement that create camaraderie amongst members, this requires face-to-face engagements.

Yes it might be cheaper to host events online and it allows for members in travel and across the world to engage, but we need to allow the need for face-to-face contact to be a priority as well. Not only does it allow for different sectors to mix but also for a sharing of experience, benefits and then talking through some work struggles.

My suggestions:

- **Set up one website for all functionalities**
- **Pitch for an increased budget for districts to host face-to-face events. Once this is available, just start hosting the events. Traction grows as people start seeing the events and the pictures, hearing the reports, or inviting a friend based on past experience.**

We should also evaluate the types of events that we host as this communicates volumes as to what it is the members want. This trial and error can take some time and decisions with particularly low RSVPs can be adjusted so that budget fit the size of the event but this could take some time and that not all members will be satisfied with the final results.

Thank you for your detailed feedback and input. SAICA has gone back to face-to-face events and we note the considerations regarding the website.

This has been covered in our Ushintsho/digital update.