SAICA CEO ROADSHOW

South Africa / EMEA

12 April 2023

The questions below were raised by members during the CEO roadshow that took place on 12 April 2023 for members residing in South Africa/EMEA.

MEMBER VALUE

1. **During the war, the medical industry assisted the injured, and many lawyers assisted from a legal aspect. Currently, our beautiful country faces many economic and financial challenges. Whilst every country has its ups and downs, I think we are in a severe situation where businesses and citizens of South Africa are negatively impacted. Is SAICA working with the government to see how we can assist in adding value to the financial and related process in SOEs and respective departments? If yes, kindly share how?**

During the COVID-19 pandemic in this country, SAICA established the Business Emergency Room and we worked with small and big businesses where members volunteered their time freely to assist in that regard. Our members, through various committees that they operate in, assisted the government with financial management.

In the face of the KZN and Gauteng unrests, our members collaborated to find ways in which they could work with those provinces to address the issues that were impacting citizens' livelihoods.
There are other matters that we also get involved with, in collaboration with the Auditor General and National Treasury.

For example, at the end of March, there was a public outcry about Eskom's exemption from reporting irregular expenditure. SAICA was in contact with the National Treasury during this time, and we raised our views about the implications of this exemption and sought solutions. A team led by Natashia Soopal (Senior Executive: Ethics, Standards and Public Sector) under the Standards division, engages with municipalities, Treasury, and the Auditor-General to try and find answers to some of the challenges faced by the profession.

During the budget speech in February, the SAICA Tax team sits with the government to analyse expenditure and challenges, and we make recommendations to the government on how those issues can be resolved.

We encourage all our members that have the time, to join us in the above-mentioned advocacy efforts.

2. **How can members play a role in maintaining the profession's credibility, considering that some former members have brought the CA(SA) designation into disrepute? If I can help my country, I would like to know how? Please advise.**

We will be in touch with the member who asked this question to find out in which areas the member would like to help. We appreciate that our members have the passion and drive to make a difference, not only in the profession, but also in the communities where they live and work.

3. **How does SAICA assist whistleblowers to mitigate the harsh negative impact they suffer in the process? They lose their jobs and often experience threats to their safety.**

The complexity of the whistleblowing process lies in the risk that those whom a member is blowing the whistle against, may maliciously report the member to SAICA. So, when a member has been reported to SAICA, we cannot refute counter-whistleblowing claims.
In response to this complexity, a group of professional bodies such as the IIA, SAIPA, ICFE and SAICA, collaborate to seek solutions on how to support members.
SAICA has agreed to work with The Whistleblower House as soon as they receive their tax exemption status. The Whistleblower House seeks to support people who know about or witness wrongdoing so that they can safely become whistleblowers.
At the moment, we have allocated an office here at SAICA which they freely have access to because we believe that it will support our members. This will enable SAICA to deal with the allegations against the relevant members and make conclusions and recommendations without compromising the support the member is receiving for the member's status as a whistleblower.
We believe that this mechanism may create a better infrastructure to support our members who are whistleblowers.

4. **What networking opportunities, other than golf, is SAICA planning to provide to members?**

In addition to the business breakfasts, the dinners, the wine tasting etc., we hosted The Amazing Race for a couple of years. We had a Soccer Day in East London three weeks ago with 200 members, associates, and trainees in attendance. We have also hosted the Top 35 Under 35 networking events in London as well. There is a host of networking events that are available to members and different sporting events. All of SAICA's events are listed on the website.

5. **Why are all face-to-face meetings held in Sandton? There are other regions as well that contribute fees to SAICA.**

SAICA's Standards and Member Engagement divisions planned a roadshow to go out to almost every district in South Africa. There were only four districts where more than 12 members attended the roadshows. All four of those face-to-face events went ahead, even though the attendance was low.
It therefore appears that members prefer online engagements.
In addition, several face-to-face events happen throughout the country. Every district has at least one face-to-face event per annum.
We also hosted the Economic Recovery Conference in Durban in November last year. The Central Region Summer Conference is hosted at our Bloemfontein office.
For most of these bigger events, SAICA executives travel from Johannesburg to engage the members. We initially considered taking this year's CEO roadshows to each of the regions, however, members indicated that they prefer online engagements. We will keep reviewing members' needs in this regard.
For more details on all of SAICA's events and where they are hosted, please visit the Events page on the SAICA website.

6. **SAICA has tens of thousands of members, but only 209 responded to the strategy survey, what can be done to improve that kind of engagement between members and SAICA?**

This is the first time SAICA has asked members for input into the strategy. Previously, the strategy was done in-house and then rolled out to members, after which some members requested to have an opportunity to give input to the strategy.

We are disappointed that only 209 members gave input via the survey, but we also received input from various member structures, including the SAICA districts and regions as well as the Members In Business committee.
Furthermore, SAICA staff have also given input based on their experience of working with our members every day.
We encourage our members to give input on our surveys and engage with us during the AGM and the various roadshows, as well as the in-person events. Looking at AGM participation, for example, in the past ten years we have never had more than 500 members join the AGM, out of a membership base of more than 50 000 people.
The more feedback and engagement from members, the better SAICA can strategise and plan to serve our members well.

7. **When will the issue of SAICA having a rebel unrecognised body representing members on the East Rand be resolved and brought to some sort of closure or finality?**

SAICA monitors what its members do, but it cannot control whether members decide to come together for networking purposes or to discuss ideas and interventions. If members are, however, engaging in activity that will put SAICA or the profession into disrepute, SAICA will need to intervene from an investigative and disciplinary perspective.
If the member who posed this question has particular concerns about the East Rand group of members, kindly inform SAICA via the appropriate structures so that we can take the necessary measures to deal with it.

8. **On average, I think we receive about 10 emails from SAICA every week. The point is that I have a lot of sympathy with SAICA for deciding what is relevant or not because it is certainly not one size fits all. I get that and I appreciate that. Having said that, if somebody is constantly looking at the relevance of communication to members and making sort of 'in-the-moment' decisions as to what needs to go out and what is better for instance hyperlinked to the website, etc., it will help a lot. But the more you send out, the higher propensity that the communication will just be ignored and find its way to the deleted box or the junk mail.**

The communication team has been discussing this issue for the past few weeks. One of the thoughts they were exploring was to figure out a way in which some of the communication is shared. An idea is to have a weekly newsletter from SAICA. The Learning and Development team is exploring the idea of using an app instead of sending emails because some members have admitted that their SAICA mails go to spam folders. We are worried about this issue and we are revisiting the content as well as the frequency of our emails to members. Members are encouraged to update the newsletter preferences and unsubscribe to the ones they no longer wish to receive. We will share more information on our bulk email and newsletter approach with members in due course.

9. **How is SAICA assisting the government during the financial challenges it is currently experiencing? Is SAICA, with its members, assisting to improve processes and future audits, which can improve the economy and growth?**

In the past, we used to have sessions where our members would go to a government department to provide assistance and guidance. We still make that service available to the government.

RELEVANCE AND REPUTATION

10. To whom will Ms. Yakhe Kwinana pay her fees; what are the chances of her paying it; and, if the fees are paid to SAICA, what will SAICA do with them?

The fees will be paid to SAICA. We cannot definitively say what the chances of her paying are. SAICA will earmark the fees for future disciplinary processes; all money collected through disciplinary processes, is utilised for future disciplinary cases.

11. I am mostly concerned by the recent PFMA exemption gazette for Eskom. Our profession cannot be part of or support an act that promotes the covering up of anything unlawful, whatever the vague description that may be put forward. The reasons put forward by the Minister of Finance are very weak, that Eskom needs funding via bonds. The markets will decide based on due diligence and relative risk.

SAICA agrees with this sentiment. Our profession cannot be seen to be part of a cover-up and our interventions and engagements with the government are about ensuring transparency, accountability, and truthfulness in reporting. These are three important principles that guide our interactions. When we meet with the government to talk about this issue, we emphasise that whatever the solution has got to be, it must meet those criteria because South Africans want to know what is happening.

12. On the recent statement regarding the State of Disaster, and Eskom's exemption for accountability and disclosure. I concur; however, a more challenging scenario is foreseen if National Treasury tries to reinstate the regulation after public consultation, then there is no turning back.

Indeed. However, the Minister of Finance still believes that there is, at the very least, a reason for a different dispensation of accounting for irregular expenditure that is needed. SAICA will be making a submission. In our discussion with the National Treasury, one of the points made by Treasury was that irregular expenditure is a reflection of the internal controls of the organisation and that it does not change the numbers in terms of the IFRS in any of the financial statements. They remain intact. The balance sheet stays the same, and the income statement stays the same unless there is culpability on an individual; in other words, if somebody has enriched themselves.

13. What is the status of the dtic increasing the PI score for mandatory audits?

We have engaged the dtic well as the Standing Committee on Company Law, which is a parliamentary committee, on the need to increase the public interest score. We had also engaged with our members around 2014 and one of the key issues that came through was that the PI score had remained static since the Companies Act came into effect in 2011.

Around July last year, we made a submission to advocate that the PI score should be increased. We submitted that the 100 measure should be increased to 350 and then that the 350 measure that currently exists should be increased to 700 and that was based on some research that we had done.

Up to this point, we have not received any feedback. But Prof. Michael Katz who chairs the Standing Committee on Company Law has indicated that it is an issue or an area that they are currently looking into. As soon as we do receive that feedback, we will communicate with our members accordingly. In addition to the score itself, we are looking at some of the monetary measures, especially those that feed into the score, and the need for those to be reviewed and considered inflation. Looking at some of the definitions within the Companies Act, this is proving to be problematic at this point. As soon as we get an update, we will communicate with the members.

14. **What procedure was followed to establish the financial penalty for misconduct? I am concerned about the integrity and independence of the process. If the disciplinary body benefits financially from the penalties, what is the legal basis for these penalties?**

We can answer this in two parts. 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.

15. **I would like to get some indication of what your view is on your ability to influence SARS at all. Because frankly, the way they are conducting themselves is barely legal and certainly not ethical. I know they are a big organisation with members and therefore they cannot control them all, all the time. Nevertheless, there ought to be some basic controls and some basic guidelines. Please can you give some clarification?**

SAICA will always advocate in the interest of its members and the public, but SARS ultimately makes its own decisions. We will continue to raise issues with them for the benefit of our members and the public – sometimes they reason with us, but other times they do not. SAICA will always raise matters of concern with them, but they make the final decision.

16. **What is the progress on some of the transformation initiatives especially the CA triple B-EE chapter and the submissions to the Department of Employment and Labour on the proposed sector and subsector targets as set out in section 15(A) of the Employment Equity Amendment bill?**

Incidentally, we are meeting with the Department of Labour this afternoon. It is a physical meeting to discuss that issue because we have not made progress in the Department of Labour, especially since it affects the firms and all the penalties. We are still trying to fight this challenge; it has not been concluded and we are trying to push for the dispensation to be changed.

TRANSFORMATION AND GROWTH

17. **There was once a conversation on doing away with the ITC exams, instead of having universities conduct examinations in a similar way as the National Senior Certificate. Further, the argument was that there is absolutely nothing new students learn from the**

CTA examinations and the ITC. So, the value adds for ITC and CTA examinations following each other so closely without anything new is not justifiable. Not only the time between the two exams, but the actual ITC examination, since most universities are also doing ITC type of questions during the assessment remains questionable. Is SAICA considering reviewing this in the near or immediate future or trying a different model much more meaningful than the current system?

The ITC exists as a standard-setting assessment that brings uniformity at the entry level of the profession. It does not exist because of the gap between PGDA, CTA and ITC, it exists because there is a vast array of universities and ITC provides a single standard across the board.
The proposed review has its implications and SAICA is currently not looking at exploring a different model. However, what is important to understand from the member's question is that last year, the Initial Professional Development Committee set and considered all this at its strategy session. From that session, they established a working group to investigate the plausibility of this question. This working group is currently in progress, but they have concluded that there is still a need, importantly so, for a standard-setting assessment, and therefore the ITC remains necessary. The working group is still deliberating on whether there is a need to change the ITC in its current format. We will share more information with members in due course.

18. **Could there be a different approach to someone who has not passed ITC within the six attempts? It is sometimes extremely difficult to go back to university to repeat the CTA. Can SAICA not develop a program such as the APT that can be completed to gain entry to ITC again?**

SAICA has been looking at how we can assist candidates better in improving the ITC pass rates. But it is also important to consider and understand why six attempts were needed in the first place. If one looks at the pass rates, once candidates move beyond their second attempt and go to the third, fourth and so on, the pass rate is quite low. If we take the most recent ITC that was written in January, those who were writing for the fourth time achieved a 38% pass rate, and those who were writing for the fifth time achieved a 30% pass rate. So, once you get farther away from your PGDA year, it seems to get even more difficult to pass the assessment.

SAICA's transformation and growth team is raising the funds to look at how we can get the programme providers and the courses to build a programme to assist repeat candidates. This means that the training offices and all employers also need to work quite closely with us, to ensure that candidates are allowed enough time to prepare for the exams.

19. **What can be done to accommodate and reduce CPD requirements for those members who only have a couple of clients and are winding down to early retirement?**

SAICA has moved away from measuring hours to measuring output. What is important is the Code of Professional Conduct, which states that members are required to remain professionally competent. If you are performing a service, as little or as big as that service may be, you need to make sure that you are proficiently competent for that specific role.

If a member is moving towards retirement and is winding down, the extent of your work is significantly less, and therefore the amount of CPD you need to do will be determined by that role. We have several initiatives that can support that. We will be launching our Learner Management System soon, which will have several CPD-related activities, both in the technical areas and non-technical areas. It is up to each member to determine how much learning they need to remain professionally competent. We also have the CA Pathways to Relevance career paths which can assist in this regard.

The CPD policy does not assess whether you are competent or not, the responsibility of that assessment lies with the member. What the CPD policy seeks to do is ensure that members are committed to lifelong learning and the implantation thereof.
SAICA's CPD policy is available on the website.

20. **What does personalising one's CPD plan mean? Does it mean that I can integrate two career paths when assessing competence? It is extremely frustrating and manually time intensive to monitor different career paths.**

The simple answer is yes, you can integrate two career paths. We provide a guideline document for different career paths. However, it is fair to say that with the 50-odd thousand members SAICA has, each role is different and that is why we do not prescribe competencies, but rather provide guidelines. If you are following an emerged career path, you must look at what is most important for your career path. Additionally, with the changes to the CPD policy and with the launch of the new Learning Management System (eVolve), we are busy putting together a detailed communication plan in this regard. Through that, we will be running some sessions to take people through the changes to the CPD policy as well as how to use the eVolve system. We suggest that members look out for those in May and June.

21. **As a new SAICA member, I am still confused about the CPD process and what we need to do and what is required. Is there a breakdown that I can read that goes through this? If so, where can I find it?**

There are resources on the SAICA website and these, as mentioned earlier, are going to be refreshed to align to the changes in the policy. But in essence, what every member needs to do is look at what competencies are required for their role. To assist you with that, we have the Pathways to Relevance framework. What we would emphasise particularly as a newly qualified CA(SA), is the emphasis on professional values and attitudes as well as the enabling acumens - decision-making, digital acumen, and relational acumen. Our advice is to make sure that when you are newly qualified, you are not only looking at technical competencies depending on your role, but also looking at the other competencies. We will make sure that there are further guidelines available, and you are welcome to send Mandi Olivier, Executive: Professional Development an email.

22. **Regarding the question about the personal CPD plan, I want to know whether SAICA will provide the technological functionality to help with the integration of the different career paths. Service providers have been helping us as much as they could.**

We have a customised module on the new eVolve platform, to assist members in developing their personal learning plans. It is still quite basic and it revolves around you identifying what your learning interests are and from there it will point you in the direction of which online resources are available, but you are also welcome to outside of that, go and attend any course, do any other reading and participate in any other type of learning intervention and record that on the system as well. We would like to receive feedback on this process once it goes live. As with all technological solutions, we endeavour to keep improving it over time.

23. **Some members have brought our profession under a cloud. It strikes me that the tone of the CPD policy is more in response to the action. The clarification said you reviewed the policy through an internal lens of good-standing members, rather than as a defense for our reputation externally.**

The policy changed in 2020. Before that, it was based on the number of hours' learning. If you understand learning and development, you will understand that different people learn at different paces and they learn in different ways. One may like to make notes, another may like to listen. We felt that restricting the policy to 40 hours did not embrace what we were trying to achieve, which is to make sure that all our members embrace lifelong learning because that is the cornerstone of being a professional. We do not believe the policy has changed in response to the ethical or unethical ways of members. It may be that from a compliance perspective, a different sample of members should be selected for monitoring. Some people might be considered high-risk and should be selected to ensure that they are complying with the policy. The policy is intended to encourage our members to embrace lifelong learning and that is critical if we want to make sure that we remain relevant in the future.
Some further refinements are coming in defining what is considered to be "professionally active". If you are professionally active, then you are required to comply with the policy.

Additionally, the competency framework has three legs: behavioural competencies, technical competencies, and enabling competencies. Ethics form part of the behavioural competencies and we are not doing away with that. Our learning offerings support our competency framework, to ensure that our members are well-equipped to know what to do when they face ethical dilemmas.

24. **Regarding the CPD declarations, on what basis are members audited? Is it random or is it strategic?**

Members are randomly selected for monitoring, as well as from a risk perspective. For example, if a member was monitored in the previous year and was found to have been non-compliant with the CPD policy, they will likely be chosen for monitoring again to ensure they are compliant.

25. **What training is SAICA providing in the face of the dynamic and ever-evolving leadership competencies given the VUCA world members find themselves in?**

We acknowledge that there is a lag in this particular area, but we have now recruited an excellent Project Director to deal with these matters. We have also developed a post-qualification Learning and Development strategy. We will be focusing on the following areas over the next 12 to 18 months: digital acumen, entrepreneurial skills, innovation, leadership, ethics, and strategy risk and management. We have also decided to give particular attention to the people who are in the SMP space because that is where the need is the greatest. For the last three to four months, we have been engaging with different suppliers on a variety of different offerings. Our focus is not on once-off short learning interventions, but rather on deeper learning. Our encouragement to you as members is to make sure you invest in yourselves. Investing in yourself does not necessarily mean that you should go on a half-day course. We have a few short learning programmes already in place, including technical ones as well as a partnership with Wits University where we have created the Chief Value Officer role. This training is offered through several different modules, which can be done individually or collectively, and ultimately you get a qualification out of it.

In addition, we offer a mentoring programme and a coaching programme that is aimed at female leaders. We will also be focusing on the ESG and Sustainability reporting areas.

In 2020, in response to COVID-19, we also offered several leadership programmes, because we believed they fall perfectly within the enabling competencies framework.