

ETHICS EDUCATION IN SOUTH AFRICA – SAICA REPORT

A REPORT ON SAICA TRAINEES' PERCEPTIONS AND
EXPERIENCES OF ETHICS DURING THEIR EDUCATION AND
TRAINING PERIOD

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Ethics Education in South Africa A Report on SAICA Trainees’ perceptions and experiences of ethics during their education and training period

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1. Executive summary

Ethics and ethical conduct are core attributes associated with professionalism, stewardship and accountability within the accounting profession. Reflecting this, a number of studies have investigated ethics using a variety of lenses. For example, while some studies have focused on ethical misconduct, how this aligns with theft and the cause of corporate collapse, others aim to identify strategies and policies to regulate and monitor ethical behaviour.

In particular, the South African Institute of Chartered Accountants (SAICA) has recently received a lot of negative attention due to the unethical conduct of a handful of its members. This has resulted in a renewed attention on ethics and ethical behaviour within the profession, including a need to understand how ethics is covered in accounting university courses, how professional firms deal with ethics training during an accountant's training period and understanding the extent to which ethics covered both at university level and during the training period prepare SAICA trainee accountants to deal with ethical dilemmas.

This report addresses these important issues by drawing on the findings of a research study which aims to inform stakeholders about the ethics education and training of SAICA trainees. The research aims to address the following:

1. How is ethics delivered during accounting university studies across South Africa and what are SAICA trainee accountants' perceptions of the ethics education they received whilst at university level?
2. What are the various issues around ethics experienced by SAICA trainee accountants' during their training period, including what does ethical training comprise, how ethics training is delivered and does ethics training equip trainees to deal with ethical dilemmas in the workplace?

1.1 Who participated in the study?

SAICA trainee accountants employed in public practice (auditing firms), the public sector (including the Auditor General South Africa (AGSA)) and industry (including the Training Outside the Public Practice (TOPP) programme)¹ participated in the study by completing an online survey. Some 1,344 trainee accountants responded to the survey which represents 12.6% of all SAICA trainees registered at that time (total number of 10,668).

¹ For more information about the TOPP programme see: <https://www.saica.co.za/tabid/695/itemid/919/language/en-ZA/TOPP--the-pinnacle-of-success-for-CAs-SA-in-com.aspx>

1.2 Who designed the research instrument?

While some guidance regarding appropriate questions for the study was received from SAICA, ultimate responsibility for developing the survey instrument rested with the team of researchers from UK, Ireland and South Africa. Ethical clearance for the study was obtained prior to the distribution of the survey instrument. In addition, the research team reassured potential respondents that any data collected would be used for research purposes only and that confidentiality and anonymity would be ensured. The researcher team was wholly responsible for capturing, analysing and interpreting the data.

1.3 When was the study undertaken?

The research instrument was first distributed to all SAICA trainee accountants in late October 2017. A number of follow up reminders were sent to all trainees and the survey was closed at the end of February 2018.

1.4 What are the key findings?

When reviewing the responses to the survey questions, the first impressions are positive, confirming that:

- Almost all SAICA trainees have received ethics education in their university studies;
- Ethics are covered in university studies in a number of ways, namely stand alone or integrated (with auditing or other courses);
- Many SAICA trainees have awareness of the SAICA Code of Professional Conduct for Chartered Accountants and the IRBA Code of Professional Conduct for Registered Auditors. However, some respondents have limited or no knowledge of the IRBA (13.2% of respondents) or the SAICA (5% of respondents) Codes;
- The majority of SAICA trainee organisations have ethics policies and procedures in place;
- A majority of SAICA trainee organisations provide ethics training. However, one fifth of respondents are employed in organisations where ethics training is not provided or not available (mainly mid-tier and small organisations);
- Ethics training is an annual requirement within only half of the respondents' organisations;
- SAICA trainee organisations mainly deliver ethics training in a face to face fashion and the number of hours of training provided per annum ranges from one hour to four or more hours;
- The majority of the respondents' organisations have in place mechanisms to elevate ethics issues. However, some 6.5% of the respondents indicated that their organisation does not have in place such mechanisms.

Further analysis of free-form comments provided by respondents flagged some negative comments and areas for concern. The following themes were observed in the comments by respondents:

- **Ethics education during university studies** is perceived by some respondents as being *too theoretical* and *not practical enough*. The course content was also described by some respondents as *too basic*, with *too much emphasis on auditing* and *insufficient integration* with other disciplines such as management accounting, strategy and risk analysis, financial accounting and taxation;
- **Ethics education does not matter** as *ethics is already predetermined* by factors/environments by the time one enrolls in university;
- SAICA trainee accountants face **tensions** in the workplace in terms of **balancing ethical considerations, completing audit work** in a timely manner and **keeping the client happy**;
- SAICA trainees are **concerned about job security** and **threat of intimidation** when facing ethical dilemmas. Trainees are more likely to experience ethical dilemmas when they take on more senior responsibilities.

1.5 What are the key recommendations?

Reflecting the findings identified above, the following recommendations are made:

Ethics education during university studies:

- **Recommendation 1:** Academics should reflect on the balance between practical application of ethical principles and addressing the theoretical components of ethics. Both are important and an appropriate balance is necessary.
- **Recommendation 2:** Ethics should not only be taught as a stand-alone course. Introducing the theory initially in a stand-alone course is appropriate (with the underlying theories of ethics and ethical behaviour found within the philosophy discipline). However, ethics education should also include examples of practical applications that are further enhanced when ethics is integrated with other disciplines.
- **Recommendation 3:** The university classroom provides a ‘safe space’ for discussion and role-play of ethical dilemmas that may be experienced in the world of work, without personal risks associated with job-loss, whistleblowing and intimidation. Examples of discussion include aspects associated with lack of independence, being transparent, applying professional scepticism, having a critical mind-set and establishing self-values.
- **Recommendation 4:** Universities also have an important role to play by introducing consequences for students’ unethical behaviour. These include taking action against students who are copying from other students, faking sick notes and unethical conduct during tests and exams.

Ethics during training period:

- **Recommendation 5:** Ethics training should not be limited to a few hours, undertaking an online course or listening to a webinar. Regular discussions are required at all levels within the firm, where potential and actual ethical dilemmas are analysed and discussed.
- **Recommendation 6:** In addition to adhering to the firm's own ethics policies, appointing an ethics partner and regular ethics training, continuous self-awareness and discussion of ethical situations and conflicts are required during the training period.
- **Recommendation 7:** An ethical climate should be demonstrated at all levels and in all activities of the firm. To that end, senior managers and partners should participate in ethics discussions and training and set the 'tone from the top'.
- **Recommendation 8:** Trainees are at the starting point of their professional careers and are impressionable. Trainees' actions at work, such as arriving late at a client, completing tasks without due care, over-reliance on auditing procedures without applying professional scepticism, are some examples of unacceptable conduct and behaviour that should be reported and investigated, and if necessary, have consequences.
- **Recommendation 9:** Guidance, training and mentoring during the training period is paramount for the development of an ethical profession. A trainee mentoring programme that draws on external Chartered Accountants (possibly as part of continuing professional development (CPD)) may address issues associated with ethical dilemmas and intimidation that a trainee may experience within his/her firm.
- **Recommendation 10:** SAICA may consider the feasibility of establishing an ethics hotline to provide trainees with impartial and confidential advice when they are uncertain or feel compromised when dealing with ethical issues in the workplace.

2. Overview of South Africa’s Accounting Profession’s Ethics Landscape

Guidelines for ethics and ethical behaviour for accountants and auditors are included in the South African Institute of Chartered Accountants (SAICA) Code of Professional Conduct for Chartered Accountants (CA’s) and the Independent Regulatory Board for Auditors’ (IRBA) Code of Professional Conduct for Registered Auditors (RA’s). Prospective CA(SA)s are required to acquire pervasive skills that are associated with ethics and ethical conduct. However, evidence and assessment of the education and training of appropriate ethical conduct is difficult to confirm and measure.

Recent events and allegations of unethical conduct by South Africa Chartered Accountants have put a renewed focus on ethical behaviour in the accounting profession. For example, the application by the auditing firm, Nkonki, to enter into voluntary liquidation and the allegations relating to the conduct of accountants at the KPMG audit firm, have raised the issue of potential unethical behaviour. Reflecting the seriousness of recent events, Bernard Agulhas, the Chief Executive Officer of the Independent Regulatory Board for Auditors (IRBA), recently reported the following:

“We have seen in recent developments how actions by just a few auditors have caused significant impact and collateral damage to many other committed professionals. While the public’s reaction is understandable given the current socio-political environment and the damage wrought by the proponents of state capture, we must ensure that we continue to make decisions in a rational framework.” (IRBA, 2018).

The IRBA concedes that recent revelations in South Africa have been a testing time for the accounting profession, with Mr Agulhas, stating the following: “in the current socio-political climate, auditing is receiving far more media attention than ever before and when something goes wrong the level of public interest is far higher than ever before” (IRBA, 2018). Furthermore, the IRBA (2018) concludes that the prevailing ‘crises’ in the accounting profession requires a refocused look at ethics, policies, and quality, for positive changes emanating from the crisis.

The International Ethics Standards Board for Accountants (IESBA) recently released a completely rewritten and revamped Code of Ethics for professional accountants (PAs) which became effective in June 2019. The fundamental principles within the Code – integrity, objectivity, professional competence and due care, confidentiality and professional behaviour – establish the standard of behaviour expected of a professional accountant and reflects the profession’s recognition of its public interest responsibility. Those fundamental principles as well as the categories of threats to them – self-review, self-interest, advocacy, familiarity and intimidation threats - are unchanged. Also

unchanged, are the overarching requirements to apply the conceptual framework to comply with the fundamental principles and where applicable, be independent (IFAC, 2019).

The SAICA competency frameworks for the education and training of prospective CAs includes a requirement that business ethics knowledge is incorporated into an accredited curriculum (SAICA, 2016) in addition to being covered during the training period of CAs (SAICA, 2015). The SAICA competency framework for accredited academic programmes summarises the competencies (broad range of knowledge, skills and attributes) of a chartered accountant (CA)(SA) at entry point to the profession and identifies ethical behaviour and professionalism as the first of three categories of the 'Pervasive qualities and skills' that a chartered accountant brings to any task (SAICA, 2016).

In addition, accounting trainees are required to demonstrate how they have met the compulsory skill of professional conduct during their training period (SAICA, 2015) in the following ways:

- by providing examples of how they have acted ethically, in accordance with the rules of professional conduct, including identifying and adequately responding to potential ethical dilemmas, and being straightforward and honest in all business and professional relationships (integrity);
- not allowing bias, conflict of interest or undue influence of others to override professional or business judgement (objectivity); and
- respecting and protecting the confidentiality of information (confidentiality).

In 2017 SAICA embarked on its 'CA2025' initiative which looks at the future roles CAs(SA) might hold, and to define what competencies these roles would require (SAICA, 2019). The professional values competencies include ethics, values and attitudes, identified as personal ethics, business ethics and professional ethics. However, these values have always formed part of the value propositions of a professional accountant. The recent spate of unethical business practices in South Africa have harmed the accounting profession and the country and has placed a renewed focus on the education and training of ethics during university studies and the training period, hence the current study is both timely and relevant.

3. Research Approach

In order to obtain a representative picture of South African trainee accountants' perceptions of various ethical issues, an online survey was considered the most suitable research approach. The survey was designed by the research team, with input received from SAICA concerning some of the questions.

3.1 Survey Design

The survey was designed to obtain data to address the two research objectives outlined earlier in this report. To that end, the survey consisted of three sections.

Section one obtained data regarding the demographics of the respondents (all SAICA trainee accountants, including age, gender, race, the number of years completed of their training contract and the university where they received their undergraduate and/or postgraduate studies). In addition, section one of the survey asked respondents a number of questions about the organisation within which they were employed: area of work or employment (public practice, public sector, industry or other); number of years completed of training contract; the size of organisation; number of partners and whether or not their organisation had a dedicated ethics partner.

Section two of the survey asked respondents about their experience of ethics education received during university studies, including the way in which ethics was delivered (e.g. separate ethics course, combined with auditing or other courses) and their perceptions of ethics education received.

Section three asked respondents a series of questions regarding ethics training received during their training period. This included details regarding the existence of policies and procedures regarding ethical conduct, their familiarity with Codes of Professional Conduct, the areas they had received ethics training in, the number of hours spent on ethics training and how ethics training was delivered. In addition, section three asked respondents to indicate if they felt they were adequately equipped to deal with ethical dilemmas they might experience in their work.

The responses to the questions in sections one, two and three provide valuable insights into the demographics and employment profiles of the trainees, but more specifically, provide important data on trainees' perceptions of ethics received both at university and during their training period.

3.2 Data Collection

In order to achieve a maximum response rate, a link to the survey was distributed by SAICA via their member database for the attention of all trainee accountants (n=10,668). While SAICA distributed the link to the questionnaire via their members'

database, the survey clearly indicated that the research was being conducted by the research team and not SAICA, that the results would be used by the research team for research purposes only and that the research team would ensure confidentiality and anonymity of all responses. To enhance confidentiality, no personal data was collected which might enable individuals to be identified (e.g. membership number, name). Furthermore, trainee accountants participated in the survey on a voluntarily capacity and received no inducement or reward as a result.

Usable questionnaires were obtained from 1,344 participants, representing a **response rate of 12.6%** (1,344/10,668) of all SAICA trainees at that time. The completed responses to the survey were then analysed and interpreted by the research team.

4. Results

The demographics of the SAICA trainees who participated in the survey is first presented in this section before going on to discuss various demographics with respect to the respondents' employment. This is followed by a discussion of the findings relating to ethics education received during university studies. The responses concerning various ethics during the trainees' training period in their respective organisations is then presented. The data reported include both quantitative data and qualitative comments from participants, the latter of which is analysed where possible along thematic lines.

4.1 Respondents' Personal Demographics

The personal demographics of the participants are summarised in Table 1 on the next page.

4.1.1 Gender

A total of 1,344 SAICA trainees completed the survey instrument, representing a response rate of 12.6% of all registered trainee accountants. Of these, 621 (46.2%) were male while the remaining 723 (53.8%) were female, representing a fairly even split by gender.

4.1.2 Age

Table 1, Panels A and B provides an analysis of the respondents' age and race. In terms of age (Table 1, Panel A), the majority of respondents are aged between 24-26 years of age (n=665). However, a sizable number of respondents also fall within the age brackets 18-23 (19.7% or n=265) and 27-30 years old (21.9% or 294). Most respondents are thus younger than 30 years, reflecting their trainee status.

4.1.3. Race

With respect to Table 1, Panel B, almost one half of the respondents are 'White' (622 or 47.8%), while 32.4% (n=421) are 'African Black', 12.5% (n=163) are 'Indian' and 7.2% (94) are 'Coloured'. The remaining 3.2% (n=45) did not indicate their race. Additional analysis (untabulated) indicates that the response rates for each race do not differ significantly from the population of trainee accountants (n=10,668).

Panel A: Age range (n=1,344)					
	<i>Frequency</i>		<i>Percentage</i>		
18-23	265		19.7%		
24-26	665		49.5%		
27-30	294		21.9%		
31+	119		8.9%		
Missing	1		0.1%		
Total	1,344		100%		
Panel B: Race (n=1,344)					
	<i>Frequency</i>		<i>Percentage</i>		
White	622		46.3%		
African Black	421		31.3%		
Indian	163		12.1%		
Coloured	94		7.0%		
Prefer not to say	42		3.1%		
Other	2		0.2%		
Total	1,344		100%		
Panel C: Race by Age (n=1,299)					
	18-23	24-26	27-30	31+	Total
White	177	310	91	43	621
African Black	42	200	128	51	421
Indian	29	89	37	8	163
Coloured	11	42	28	13	94
Total	259	643	284	115	1,301

Table 1, Panel C provides further analysis of race by age (after excluding respondents who did not indicate their race). This analysis reveals that the age of 'African Black' and 'Coloured' respondents was significantly higher than that of 'White' and 'Indian' ($p=0.000$), meaning that they are older, relative to the 'White' and 'Indian' groups.

4.2 Respondents' Organisational Demographics

Table 2 indicates details concerning the organisations in which the trainee accountants are employed within.

4.2.1 Area of Work

Table 2, Panel A indicates the area of work in which the respondents are employed. The largest number of respondents are employed within public practice (audit firms) (75.1%). However, a sizable number of respondents are also employed within both

public sector organisations (including the Auditor General of South Africa) (11.7%) and commerce and industry (12.6%).

4.2.2 Public Practice Breakdown

Table 2, Panel B, provides a breakdown of those respondents employed in public practice (audit) only (n=1,010). While 19.6% of the respondents are employed within the Big Four accountancy firms, the largest number of respondents are employed within mid-tier auditing practices (48.5%). The next largest group is other (31.5%) which includes small and medium sized accounting firms. For those respondents indicating 'other' type of auditing practice (n=318), data were also collected with respect to the number of partners within their respective organisations. The number of partners ranged from 1 to a maximum of 14 and an average of almost 3. Some 96.4% (n=304) of the respondents' respective organisations have five or fewer partners.

Table 2		
Trainee Chartered Accountants: Organisational Details (n=1,344)		
Panel A: Area of Work (n=1,344)		
	Frequency	Percentage
Public Practice (Audit)	1,010	75.1%
Public Sector Organisation (including the Auditor General of South Africa)	157	11.7%
Commerce & Industry	169	12.6%
Other	8	0.6%
Panel B: Public Practice Audit Breakdown (n=1,010)		
	Frequency	Percentage
Big Four	198	19.6%
Mid-tier	490	48.5%
Other	318	31.5%
Missing	4	0.4%
Total	1010	100%
Panel C: Number of Years' Work Experience (n=1,344)		
	Frequency	Percentage
Less than 1 year	288	21.4%
1 to 2 years	418	31.1%
2 to 3 years	340	25.3%
3 to 4 years	130	9.7%
More than 4 years	168	12.5%
Total	1,344	100%

Panel D: Number of Years' Work Experience by Area of Work (n=1,344)					
	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	More than 4 years
Public Practice (Audit)	222 (77.1%)	322 (77%)	263 (77.4%)	96 (73.8%)	107 (63.7%)
Public Sector Organisation (including the Auditor General of South Africa)	32 (11.1%)	49 (11.7%)	33 (9.7%)	19 (14.6%)	24 (14.3%)
Commerce & Industry	30 (10.4%)	47 (11.3%)	43 (12.6%)	14 (10.8%)	35 (20.8%)
Other	4 (1.04%)	0 (0.0%)	1 (0.3%)	1 (0.8%)	2 (1.25%)
Total	288	418	340	130	168

4.2.3 Number of Years of Training Contract Completed

Table 2, Panel C shows the number of years of work experience the respondents have. Reflecting their trainee status, the respondents have work experience of mainly between 1 and over 4² years. The respondents are fairly evenly distributed between those with up to up to 1 year's experience (n=288), those with between 1 to 2 years' experience (n=418) and those with between 2 to 3 years' experience (n=340): reflecting the fact that all respondents are trainee accountants. In addition, a number of respondents indicated that they have between 3 to 4 years' experience (n=130, 9.7%) and in excess of four years' experience (n=168, 12.5%). This may reflect trainees who are studying part-time or trainees who have extended their training contract in lieu of failing the SAICA professional accounting examinations. Additional analysis of area of work by number of years' work experience is shown in Table 2, Panel D.

4.3 Designated Ethics Partner

Respondents were asked if the organisation within which they are employed has a designated Ethics Partner, where the number of partners is four or more. Of these organisations with four or more partners (n=527), some 406 (77%) have a designated Ethics Partner while the remaining 23% (n=121) do not. The 406 organisations who do have a designated Ethics Partner are located in the following types of audit practice: Big Four 155 (38.2%); Mid-tier 234 (57.6%); Other 17 (4.2%).

² SAICA offers a training period for graduates of 3 years and 5 years for those without a degree.

4.4 SAICA Trainee Accountants: Undergraduate and Postgraduate Education

All of the respondents in the study (n=1,344) have either completed or are still in the process of completing an undergraduate degree programme. Figure 1 illustrates the universities where respondents received (are currently receiving) their undergraduate education. The University of South Africa (UNISA), is the clear leader in terms of the provision of undergraduate degrees, some 478 (35.6%) of the respondents have either completed their degree or are currently completing their undergraduate degree at this institution. The remaining respondents have received/are currently working towards their undergraduate degree at a range of universities. In addition to an undergraduate qualification, some 1,099 (81.8%) of respondents have completed/are currently undertaking a postgraduate degree. Figure 2 shows the universities where students are undertaking their postgraduate studies. UNISA again is the clear leader in terms of postgraduate provision for trainee accountants in South Africa.

Figure 1

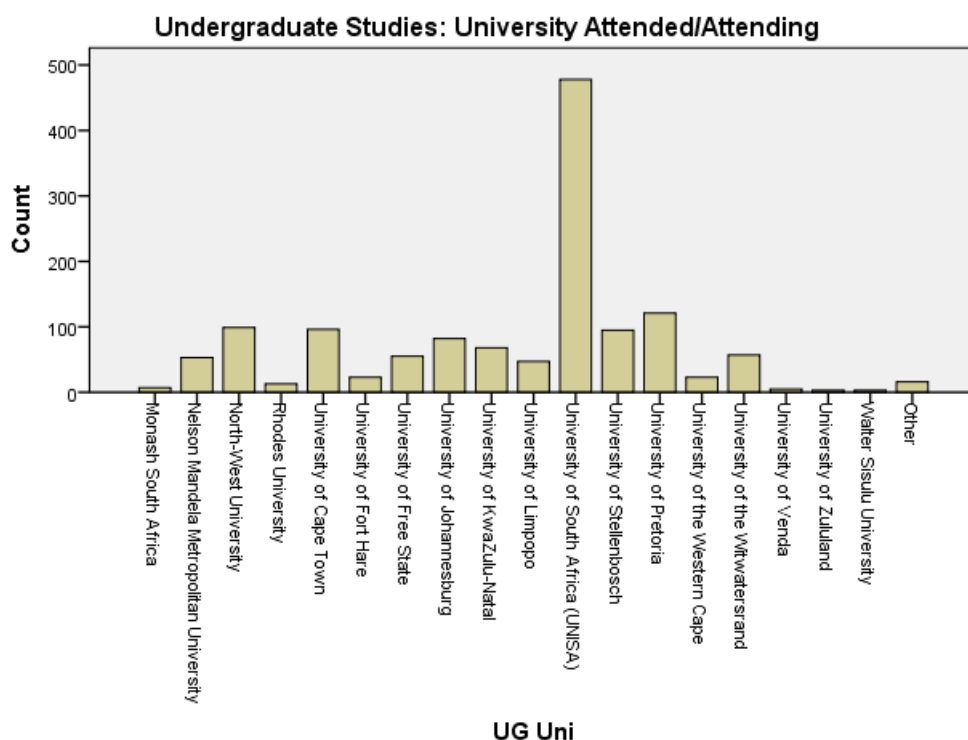
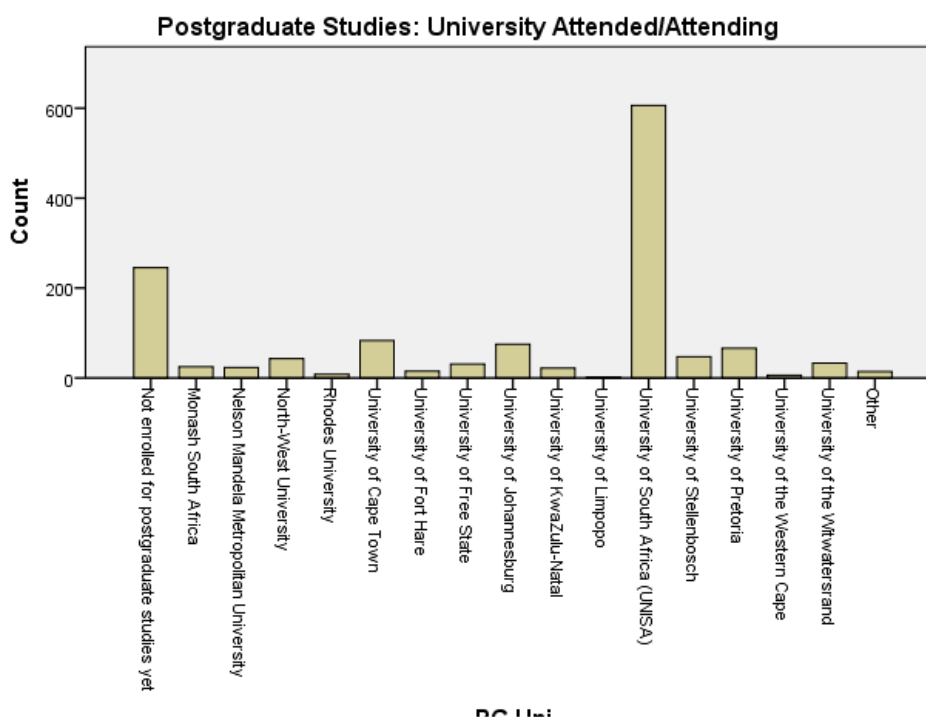


Figure 2



4.5 SAICA Trainee Accountants: Type of University attended

For the purpose of further analysis, the universities where respondents received their undergraduate accounting education (Figure 1) are classified into the following three categories:

- **Established SAICA Accredited Universities:** this category includes universities which have been offering SAICA accredited accounting undergraduate and/or postgraduate programmes prior to 1994 (Nelson Mandela University; North West University; Rhodes University; University of Cape Town; University of Free State; University of Johannesburg; University of KwaZulu-Natal; University of Stellenbosch; University of Pretoria; University of the Western Cape; and University of the Witwatersrand).
- **Recently SAICA Accredited Universities:** this category includes universities offering accounting undergraduate and/or postgraduate programmes who have recently been accredited by SAICA (Monash South Africa, University of Fort Hare; University of Limpopo, University of Venda, University of Zululand and Walter Sisulu University).
- **Distance Learning Universities:** this category includes one university offering SAICA accredited accounting undergraduate and/or postgraduate programmes, where the delivery mode of studies is via distance learning (UNISA).

4.6 Ethics Education: University Experience

This section analyses the responses by participants relating to their experience of ethics education during their university studies.

4.6.1 Has Ethics Education been received at University?

Respondents were asked to indicate if ethics is delivered in the degree programmes where they have completed or are currently completing their university studies. Almost **all of the respondents (n=1,340 or 99.7%) have had exposure to ethics education at undergraduate university level.**

4.6.2 How is Ethics Delivered at University level?

Table 3, Panel A indicates how ethics education is delivered at undergraduate university level (n=1,340, 99.7%).

How delivered?	Frequency	Percentage
Stand alone: Separate ethics/business ethics course	474	35.3%
Integrated: Combined with auditing courses	647	48.1%
Integrated into all courses	197	14.7%
Combined with courses other than auditing	22	1.6%
Not covered	4	0.3%
Total	1,344	100%

Some 64.6% (n=866) of respondents have had exposure to ethics education delivered in an **integrated fashion with other courses**. The various modes of integration include the following:

- 48.1% (n=647) integrate ethics into an **auditing course**;
- 14.7% (n=197) integrate ethics into **all courses** undertaken at university level;
- 1.6% (n=22) integrate ethics by **combining with courses other than auditing**, including corporate governance; cost and management accounting; ethics and communication; financial management; management; perspectives in accounting; and sustainability and greed.

In contrast to the predominant delivery of ethics education in an integrated fashion, some 35.5% (n=474) of respondents have had exposure to ethics education at undergraduate level delivered as a **stand-alone course**. Table 3, Panel B shows the type of university that the respondents received their undergraduate accounting education. The vast majority of the respondents have received their undergraduate education at established SAICA accredited universities (n=762, 57.4%). A sizable number of respondents received their undergraduate accounting education via a distance learning university (n=478, 36%) while the remaining respondents (n=88, 6.6%) received their undergraduate accounting education at a recently accredited SAICA university.

Table 3, Panel C provides further analysis of how ethics education is delivered by university type. The analysis reveals that the respondents who have received their undergraduate ethics education within **recently accredited universities** did so mainly in an integrated fashion combined with auditing (n=48, 54.5%). An additional 19 (21.6%) and 18 (20.5%) of the respondents received ethics education as a stand-alone ethics/business ethics module or in an integrated fashion with courses other than auditing (n=19, 21.6%) respectively. Ethics education within **established accredited universities** is mainly delivered as a separate ethics/business ethics course (n=383, 50.3%). Some 38.5% (n=293) of respondents received their ethics education at university level in an integrated fashion combined with an auditing course. Finally, respondents who obtained their undergraduate accounting degree at a **distance learning university** have mainly received ethics education in an integrated fashion, combined with an auditing course (n=294, 61.5%) or integrated in all courses (n=98, 20.5%).

Table 3: Panel B				
Responses by University Type (n=1,328)				
University Type	Frequency		Percentage	
Recently Accredited Universities	88		6.6%	
Established Accredited Universities	762		57.4%	
Distance Learning Universities	478		36%	
Table 3: Panel C				
Ethics Education Received by University Type (n=1,328)				
	Recently Accredited Universities	Established Accredited Universities	Distance Learning Universities	Total
Stand alone:				
Separate ethics/business ethics course	19	383	70	472
Integrated:				
Combined with auditing courses	48	293	294	635
Integrated into all courses	18	80	98	196
Combined with courses other than auditing	2	5	14	21

4.7 Perceptions of Ethics received at University level

Some 421 (31%) SAICA trainee accountants responding to the survey provided additional free-form comments regarding their perception of ethics education received at university level. While the comments reflect some positive experiences of what and how ethics is covered in undergraduate and postgraduate programmes, they also highlight some negative aspects of ethics education at this level. An analysis of negative free-form comments enabled a number of themes to be identified: inadequate coverage of ethics (i.e. too basic); content too theoretical; content lacking in practical application; limited integration of ethics and lack of focus on ethics in subjects other than auditing. Example quotes, both positive and negative, from respondents are presented below.

4.7.1 Ethics Education: Positive comments

Approximately 240 positive free-form comments were made by respondents with respect to ethics education received at university level. For example:

- *The ethics course was very practical. All case studies we based on current and real-life scenarios.*
- *Excellent!!! Very focussed, forced students to critically think about ethical situations.*
- *Very informative and relevant*
- *It prepared me adequately in my day to day life and work environment*
- *It changed my perspective on ethic, as we engaged ourselves on practical matters happening in the field of work*
- *The module was a breath of fresh air as it was different in nature from my core modules.*
- *The ethical course ensured that we understand the reasons for applying ethics which is a good start*

The above comments are reassuring and highlight the value that respondents received from their ethics education whilst at university. It is also pleasing to note that a number of positive comments were made with respect to ethics in terms of preparing SAICA trainee accountants for their work life. However, despite the positive comments received by respondents, almost 200 negative comments were made concerning ethics education received at university. These are detailed below.

4.7.2 Ethics Education: Negative comments

Theme One – Inadequate Coverage of Ethics (too Basic)

A large number of respondents indicated that the ethics education they received at university was too basic. For example:

- *Focus on ethics is superficial. It was not adequate, more needs to be done. The level of studies that addresses ethics has been quite basic and felt like a waste of time. Very little emphasis was placed on ethical training. It comprised of less than 2% of the total course content It was insufficient, and not detailed enough.*

- *Very basic as it only covers the Code of Ethics in the SAICA Guide with no practical situations where ethics becomes a very grey area.*
- *It was shallow.*
- *It was at a very basic level. Ethics could have been emphasised more later in my degree and at a more complex and relevant level.*
- *Ethics training at varsity was only briefly touched on during our auditing modules. The exposure to ethics was on the SAICA professional code of conduct studies.*
- *I do feel that a more in-depth module would be worthwhile as ethics is fundamental to our role as auditors and accountants. The gravity of our role needs to be more fully explained and a module dedicated to ethics would be better suited to that.*

Contrary to the positive comments outlined in section 4.7.1, the above comments indicate that SAICA trainee accountants perceive that the ethics education they received at university level was insufficient, superficial and did not focus on issues beyond the SAICA professional code of conduct.

Theme Two – Ethics Education is too theoretical

A large number of respondents also perceived that ethics education received whilst at university was too theoretical in nature. For example:

- *Ethics at University seemed to very philosophical and not appropriate to actual dilemmas.*
- *We were put through philosophy of ethics, Kantian and Utilitarianism. I feel it was not relevant to our industry and a waste of time. Ethics should discuss impact of unethical behaviour and the long-term damage to careers, industry and moral value*
- *It was very theoretical, which served very little purpose in my work environment.*
- *I thought it was relatively good - but the shortcoming is that it is always theoretical and linking that to reality without more case style orientated ethics courses doesn't hold much value.*
- *Very theoretical, not enough emphasis about what happens in the real world.*
- *Purely theoretical based. Was in detail but realistically practise works differently due to the gray [sic] areas*
- *We could have covered more and in depth look at ethics within the working environment*
- *It was very theoretical, which served very little purpose in my work environment*
- *The issues addressed should be more practical in its application of the theory. At the moment the theory is vague and one dimensional and I have found out in practice that the theory cannot answer all matters of uncertainty.*

The above comments clearly indicate a perception that while a theoretical underpinning is important, ethics education at university can be too theoretical and not sufficiently applied to real work ethical dilemmas.

Theme Three – Ethics Education content is lacking in practical application

Reflecting the comments above regarding the theoretical aspects of ethics education at university, a large number of respondents also provided comments to suggest that the content of ethics education was not practical enough. For example:

- *Ethics at University seemed to be very philosophical and not appropriate to actual dilemmas.*
- *Mostly theoretical. Not too much practical exposure.*
- *It was interesting, however at that point it was unclear how to apply it/transfer it to situations.*
- *It was very broad and didn't feel relevant to everyday business.*
- *It was too technically focused instead of real world application.*
- *It was a separate course which gave us a comprehensive understanding and in final year it was combined with auditing. However, I feel as though this is inefficient as ethics is not simply a parrot study course. More practical scenarios and case studies needed.*
- *Interesting but rushed. Very big picture ethical issues but little focus on the ethics of everyday decisions and how small decisions can accumulate into and lead to larger ethical predicaments.*
- *I think it could have been more practical (ie. case study based).*
- *Not practical enough - e.g. case study based.*
- *Not practical enough to use in the day to day work environment.*
- *University courses tend to focus on major actions and ethical dilemmas. They need to focus on day to day ethical dilemmas, even if small*
- *Ethics case studies were not emphasised as much as the legislative topics like King and ISA standards.*

The above comments strongly support the need for accounting academics to design ethics education in order to achieve a balance between the theoretical or philosophical and practical aspects of ethics. To that end, a number of respondents suggested enhancing the practical aspects of ethics education through the use of more case based study, use of actual dilemmas and the use of practical scenarios.

Theme Four – Ethics Education does not affect someone's Ethics

A number of comments were also provided by SAICA trainee accountants suggesting that ethics education at university, despite being interesting, is unlikely to impact on someone's ethical position. For example:

- *Ethical training will make no difference - being ethical depends on how you were brought up and is mainly the responsibility of your parents. After school you are already formed and your "ethical radar" already built in.*
- *A university class does not help. It was emphasised that it's an important topic. However, I do not think you can teach someone to be ethical.*
- *It's a waste of time - you cannot train ethics.*

- *Honestly ...ethics in my opinion is not something that you learn from a book... you either are ethical or are not... no university will fix that... it has cultural, religious , family , and basic schooling roots... the community and society we live in play a huge part.*
- *It did raise discussions and for those who were not taught about business ethics we did get an introduction and explanation on how ethical issues could happen and how to deal with them. HOWEVER, I feel no class or training could truly influence someone.*
- *I feel it is a waste as ethics should already be included in your morals.*
- *Ethics courses cannot teach a person to be ethical.*
- *Ethics can't be taught, you either have ethical standards or you don't, it's the way you have been raised.*
- *One cannot "train" ethics. It is a skill/responsibility learnt in practice and in your upbringing.*
- *It was interesting but not likely to alter anyone's view at that stage in their life.*
- *It was interesting and insightful, but probably introduced too late into anyone's lives to alter their ethical views.*

The above comments indicate the perception among some SAICA trainee accountants that ethics is already predetermined by other factors/environments by the time one enrolls in university. It is important that academic staff delivering ethics education at university level are aware that such perceptions exist and that they need to address the implication of these perceptions. For example, discussions around the fixed or predetermined nature of ethics and whether or not positions on ethics are malleable could help counter some of these perceptions. The use of case-study based material which incorporates real scenarios might also help to illustrate that ethical decision making is not clear cut and always fixed.

Theme Five – Limited integration of ethics

SAICA trainee accountants also provided a number of comments indicating that there was limited integration of ethics and a lack of focus on ethics in subjects other than auditing. These comments were supported by some respondents who provided positive comments regarding the integrated nature of ethics education, not only in auditing but other subjects. For example:

- *Ethics should be more incorporated in the other subjects as well (accounting, management accounting and taxes) and not only with audit.*
- *Yes, I wish more emphasis would be placed on ethical behavior throughout all modules and not just auditing.*
- *We did ethics as a separate module, and we did it with the auditing lectures. There were a lot of emphasis placed on ethics in every auditing exam paper*
- *Ethics is integrated very well in postgraduate studies, not only in audit but other disciplines as well.*
- *It was provided in various formats but wasn't integrated with other subjects as far as application goes. For example, we considered a few examples in theory but did not*

grapple with some different angles or practical real-life issues, especially in the workplace.

- *Was not a part of all subjects at university.*
- *Minimal and not reinforced yearly.*
- *Very minimal only covered in second year and was never revisited in 3rd and 4th year*
- *The separate business ethics course was confusing*
- *This should be a separate course and be more practical in a way*
- *Ethics was covered in detail in both undergrad and postgrad. Despite having a separate ethics course in undergrad; ethics was always a topic of discussion in lectures across all 4 major subjects (auditing, accounting, financial management and tax).*
- *We had robust ethical training. Ethics was addressed in virtually every subject, as well as in a separate subject dedicated to ethics.*
- *Not only was it integrated in all courses, there was a separate course held by ... in 2nd or 3rd year which was dedicated to ethics.*

The above comments highlight perceptions of the lack of integration and also the beneficial nature of integration. It is clear that SAICA trainees valued ethics education at university when it was integrated, not only in auditing but in other subjects also.

4.8 Ethics Exposure during Training Period

In addition to asking about ethics education at university, the survey asked SAICA trainee accountants a number of questions regarding ethics addressed during their training period. Some 1,272 respondents provided an answer when asked if their respective organisation has in place policies and procedures regarding ethical conduct. Of the respondents who provided an answer, 96.4% (n=1,226) indicated the existence of policies and procedures within their respective organisation while the remaining 3.6% (n=46) indicated that they did not have any policies or procedures in place. The majority of those indicating they *do not* have in place policies and procedures regarding ethical conduct are employed in public practice mid-tier or smaller organisations.

For those respondents who indicated that their organisation has policies and procedures in place regarding ethical conduct, policies and procedures exist in the following areas: confidentiality, professional behaviour, professional competence and due care, integrity, independence and objectivity (see Table 4, Panel A, on next page). The final category, 'Other', includes policies and procedures for client commitment and honesty; conflicts of interest; fraud, corruption and whistleblowing; gifts; dress code; and political neutrality.

Panel A: Policies and Procedures (n=1,226)		
	Frequency	Percentage
Confidentiality	1,205	98.3%
Professional Behaviour	1,174	95.8%
Professional Competence & Due Care	1,162	94.8%
Integrity	1,157	94.4%
Independence	1,150	93.8%
Objectivity	1,116	91.0%
Other	83	6.8%
Panel B: Familiar with IRBA & SAICA Code of Professional Conduct (n=1,344)		
	IRBA Code	SAICA Code
Yes	1,167 86.8%	1,276 94.9%
Only limited	145 10.8%	62 4.6%
No	32 2.4%	6 0.4%
Total	1,344 100%	1,344 100%

Table 4, Panel B indicates the number of respondents who are familiar with the Independent Regulatory Board for Auditors (IRBA) Code of Professional Conduct for Registered Auditors (2018)³ and the SAICA Code of Professional Conduct for Chartered Accountants (2018)⁴. The IRBA Code (revised November 2018) sets out the “fundamental principles of ethics for registered auditors, reflecting the profession’s recognition of its public interest responsibility”: integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The SAICA Code of Professional Conduct for Chartered Accountants (revised 2018) is equally important. As a member of the International Federation of Accountants (IFAC), SAICA’s Code of Professional Conduct for Chartered Accountants largely mirrors that of the International Code of Ethics for Professional Accountants.

Respondents employed within public sector organisations (including AGSA) have the highest levels of familiarity with both the IRBA (90.4%) and SAICA (98.1%) Codes. This is followed by trainee accountants employed in public practice (IRBA Code: 88.1% and

³ The IRBA Code of Professional Conduct for Registered Accountants can be found at [https://www.irba.co.za/upload/IRBA%20Code%20of%20Professional%20Conduct%20for%20Registered%20Auditors%20\(Revised%20November%202018\)%20-%20Final.pdf](https://www.irba.co.za/upload/IRBA%20Code%20of%20Professional%20Conduct%20for%20Registered%20Auditors%20(Revised%20November%202018)%20-%20Final.pdf)

⁴ The IRBA Code of Professional Conduct for Registered Accountants can be found at <https://www.saica.co.za/Portals/0/documents/SAICACodeofProfessionalConductRevisedNovember2018b.pdf>

SAICA Code: 94.5%) and commerce and industry (IRBA Code: 76.3% and SAICA Code: 94.7%). While the number of respondents who are familiar with both the IRBA and SAICA Code of Professional Conduct is relatively reassuring, it is disappointing to note that some 177 (13.2%) and 68 (5.0%) respondents only have limited or no knowledge of the IRBA and SAICA codes respectively. Further analysis reveals that these respondents are mainly White or African Black, are fairly evenly split in terms of gender and are mainly employed in public practice (audit) followed by commerce and industry. Additionally, the existence of an ethics partner within their respective organisation or the number of years of work experience does not seem to have an impact on those respondents who have either limited or no knowledge of either the IRBA or the SAICA Codes.

4.9 Ethics Training Undertaken during training period

When asked if respondents have undertaken ethics training within their respective organisations, a total of 1,043 respondents (77.6%) indicated 'yes', 211 (15.7%) indicated 'no' and 90 (6.7%) indicated that no such training exists within their organisation. Given the importance of ethics within the accounting profession, it is disappointing to note that over one fifth (22.4%) of the respondents to the survey receive no ethics training or cannot avail of such training within their organisation during their training period.

Table 5, Panel A provides an analysis of training provision by area of work. A sizable number of respondents in both public practice (audit) (235 or 23.3%) and commerce and industry (45 or 26.66%) indicated that they have not received ethics training or no such training exists within their organisations. Further analysis by type of audit practice reveals that respondents employed within mid-tier and smaller organisations are less likely to receive ethics training or that no such training exists within these types of organisations. The number of years' experience gained within accountancy/audit does not impact on the likelihood of ethics training being received or available.

For those respondents who have received ethics training (n=1,043), Table 5, Panel B indicates the areas for which they have received training. It is reassuring to note that the respondents have received training in the six areas of the IRBA Code of Professional Conduct for Registered Auditors and SAICA Code of Professional Conduct, namely independence, integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. However, it is also of some concern that not all respondents are receiving training within their respective organisations in these important issues.

Panel A: Ethics Training by Organisational Type (n=1,344)					
Ethics Training	Public Practice (Audit)	Public Sector Organisation (including AGSA)	Commerce and Industry	Other	Total
Yes	775 76.7%	139 88.5%	124 73.4%	5 62.5%	1,043
No	161 15.9%	16 10.2%	31 18.3%	3 37.5%	211
No such training exists in my organisation	74 7.3%	2 1.3%	14 8.3%	0 0.0%	90
Total	1,010 100%	157 100%	169 100%	8 100%	1,344
Panel B: Ethics Training Areas (n=1,043)					
	<i>Frequency</i>	<i>Percentage</i>			
Independence	985	94.4%			
Professional Competence & Due Care	970	93.0%			
Objectivity	943	90.4%			
Integrity	936	89.7%			
Confidentiality	936	89.7%			
Professional Behaviour	905	86.8%			
Other	51	4.9%			

Table 6 provides some further details regarding ethics training received by SAICA trainees during the training period. Panel A indicates that just over one half of the respondents indicated that training within their respective organisation was an annual requirement (714 or 53.1%). However, some 11.8% (n=159) respondents indicated that training was not an annual requirement: the remaining 471 (35%) of the respondents did not answer this question. These results are quite alarming, potentially indicating that ethics training as part of the SAICA training period does not occur as frequently as it potentially should.

Table 6					
Ethical During Training Period					
Panel A: Annual Requirement (n=1,344)					
	<i>Frequency</i>		<i>Percentage</i>		
Yes	714		53.1%		
No	159		11.8%		
Did not respond	471		35.0%		
Total	1,344		100%		
Panel B: Ethics Training Annual Requirement by Organisational Type (n=873)					
Annual Requirement	Public Practice (Audit)	Public Sector Organisation (including AGSA)	Commerce and Industry	Other	Total
Yes	526 73.7%	103 14.4%	82 11.5%	3 0.4%	714 100%
No	120 75.5%	18 11.3%	20 12.6%	1 0.6%	159 100%
Total	646 74%	121 13.9%	102 11.7%	4 0.5%	873 100%
Panel C: Number of Hours' Annual Ethics Training (n=1,043)					
	<i>Frequency</i>		<i>Percentage</i>		
One hour	150		14.4%		
Two to three hours	427		40.9%		
Four hours or more	466		44.7%		
Total	1,043		100%		

Panel B provides an analysis of the 873 respondents (714+159) who indicated that their organisation either has or has not an annual requirement for trainee accountants to undertake ethics training (note: respondents who did not answer this question are excluded from this analysis). Further analysis of these respondents revealed that the type of organisation has no impact on whether training is an annual requirement or not. Table 6, Panel C also provides details of the number of hours SAICA trainee accountants participate in ethics training per annum. Some 1,043 respondents answered this question. Of these, almost 45% spend four or more hours per annum, 41% spend between 2 to 3 hours per annum and the remaining 14% spend just one hour on ethics training per annum.

Table 7 indicates how ethics training is delivered within the respondents' respective organisations. Just over two-thirds of the respondents receive ethics training via face to face interaction while 28% receive training via online methods. The remaining 5.1% (n=53) of respondents receive training in a variety of ways including: primarily through a combination of face to face and online interaction; but also through the use of videos and the use of training manuals and working papers.

Table 7		
Ethical Training Delivery (n=1,043)		
	<i>Frequency</i>	<i>Percentage</i>
Face to face	699	67%
Online	291	27.9%
Other	53	5.1%
Total	1,344	100%

When analysed by type of organisation, the analysis (untabulated) reveals that public sector organisations (including AGSA) make more use of face to face training and less use of online training when compared to either public practice (audit) or commerce and industry.

4.10 Dealing with Ethical Issues

Respondents were also asked to indicate if they felt that they are adequately equipped to deal with ethical dilemmas that they might experience in the work place (see Table 8, Panel A). Of those answering this question (n=1,284), almost 90% indicated that are equipped to deal with ethical dilemmas in the workplace. This is very reassuring. However, some of the respondents (n=87) did not perceive that they were equipped to deal with workplace ethical dilemmas. Further analysis suggests that the majority of these respondents are employed in mid-tier organisations and small public practice (audit) firms. However, surprisingly a small number of respondents (n=15) who are employed within the Big Four also perceived that they were not equipped to deal with ethical dilemmas.

Table 8		
Equipped to Deal with Ethical Dilemmas in the Workplace		
Panel A: (n=1,282)		
	<i>Frequency</i>	<i>Percentage</i>
Yes	1,197	89.1%
No	87	6.8%
Total	1,282	100%
Panel B: Mechanisms in Place to Elevate Ethics Dilemmas (n=1,344)		
	<i>Frequency</i>	<i>Percentage</i>
Yes	1,256	93.5%
No	88	6.5%
Total	1,282	100%

Table 8, Panel B indicates if mechanisms are in place to elevate ethical dilemmas to a higher level. It is again reassuring to see that mechanisms are in place in almost 94% of the respondents' organisations. There is, however, still a small majority of organisations who do not appear to have such mechanisms in place. Further analysis

of these organisations indicated that they are mid-tier and small public practice (audit) organisations.

4.11 Dealing with Ethical Issues: Further Respondents' Perceptions

Respondents provided a number of free-form comments around their perceptions of dealing with ethical issues. For example, the following comments reflect the difficulties SACIA trainee accountants face in terms of their ability to deal with ethical issues:

- *One's ethics are really challenged in the moment and often how you respond at that point is much determined by experience than knowledge obtain through a course.*
- *It is one thing to learn about ethics and another to practice it. I don't think I have had enough exposure to ethical dilemmas to deal with them 100%, but I will deal with them as ethically, focused and efficient as I am able to.*
- *Training on ethics and facing ethical dilemmas in the real world are 2 very different things.*
- *We have only received a short course relating to ethics and it isn't always updated or we aren't always informed on any changes or how to handle any ethical dilemmas in practice.*
- *I have watched webinars regarding this matter but as a 1st year clerk I feel that I am not equipped to handle such situations. I still do require the guidance of a senior*

A number of additional comments were made by trainee accountants regarding the tensions they face in terms of balancing ethical considerations, completing audit work in a timely manner and keeping the client happy. Additionally, some respondents raised the issue of partners not leading by example in terms of ethics. For example:

- *Because people still do unethical things and nobody cares so long as the work gets done.*
- *In private practice audit, things just get swept under the rug to avoid people doing more work and to keep the client happy*
- *The focus on jobs is on delivery timeously rather than detailed consideration of all ethical requirements.*
- *I feel the focus is on satisfying client requirements, rather than doing the right thing.*
- *It is a small firm and too close for comfort. The consequences can be quite quick and losing a contract will make it difficult because finding one is hard.*
- *It is one thing to deal with it, but another thing if no action from management or partners are taken.*
- *Partners do not lead by example.*
- *I don't feel like we have been given the platform to talk to our seniors (partners) when we see them compromising SAICA ethics. We are always told to respect partners or else.*
- *Partners are unethical and many of times they would have the final say on the final product even though they are fully aware of the ethical dilemmas raised during the engagement.*

- *Ethics relating to delivery of work i.e. meeting the client deadline and securing the revenue versus completely ethical behaviour is not covered extensively*

A number of respondents also commented on very worrying tensions between dealing with ethical dilemmas they may potentially face and issues around their job security and the threat of intimidation. Interestingly some respondents identified particular problems around having the confidence to raise ethical issues internally due to having little in the way of a voice, 'doing what you are told' and again the unethical nature of some partners. For example:

- *It is often difficult to face these dilemmas as job security and other intimidation threats exist. The governing bodies should assess that even though the respected bodies may find a replacement firm etc. there is a time frame where you will be jobless.*
- *I will sometimes feel if I do deal with it [ethical issues] I will get in trouble with the firm.*
- *There's a lot of positional power in processes and structures and creates intimidation and inferiority.*
- *There is no person at work I feel comfortable reporting or discussing ethical dilemmas with.*
- *I report to the partner and he is the cause of some ethical dilemmas.*
- *If the manager / partner wants to put through fictitious entries to decrease tax, I don't know how to handle the situation without being fired.*
- *With clients we are well equipped - but internally within the firm you do what you are told and don't have a big say.*
- *My company is under pressure to grow as such revenue growth at times overrides ethical behaviour.*
- *I am rather shy to speak my mind. And I don't always know if I am right and then don't want to make a fool of myself.*

5. Conclusion

This study focused on two important issues regarding the ethics education and training of SAICA trainees:

1. How is ethics delivered during accounting university studies across South Africa and what are SAICA trainee accountants' perceptions of the ethics education they received whilst at university level;
2. What are the various issues around ethics experienced by SAICA trainee accountants' during their training period, including how ethics training is delivered, what area does ethical training comprise, and does ethics training equip trainees to deal with ethical dilemmas in the workplace.

Since business ethics was introduced into the SAICA competency framework more than 10 years ago, there is a much stronger awareness of ethics amongst graduates, trainees and young professionals. Reflecting this, almost all of the respondents reported in the current survey indicated that they received ethics education in their university studies, with ethics being delivered in both a standalone and integrated fashion. Furthermore, many SAICA trainee accountants indicated that they have an awareness of the SAICA Code of Professional Conduct of CAs and the IRBA Code of Professional Conduct for Registered Auditors. The respondents to the survey also indicated that the majority of the organisations they are employed within have ethics policies and procedures in place, and trainees are familiar with these. The majority (77.6%) of SAICA trainees further indicated that they are also required to participate in ethics training, covering areas such as independence, professional care, objectivity, integrity, confidentiality and professional behaviour. When it comes to dealing with ethical dilemmas in the workplace, 89.1% of the respondents felt that they are equipped to deal to do so and 93.5% indicated that there are mechanisms in place within their organisation to elevate ethical issues to a higher level. Collectively, therefore the positive responses to the survey indicate a reasonably strong awareness and sense of preparedness of ethics among SAICA trainee accountants.

However, while the above results are reassuring, they also suggest some cause for concern. For example, respondents indicated various issues with ethics education at university level: too theoretical, too basic, not practical enough, too much emphasis on auditing, and lack of integration beyond auditing. Furthermore, some respondents voiced their concerns that ethics is already predetermined prior to university and ethics education therefore does not matter. With respect to ethics training in the workplace, ethics training is an annual requirement for just over half of the respondents with training often being covered in up to three hours only. Furthermore, being aware of ethics, codes and policies, and being in receipt of annual training does not necessarily mean

that SAICA trainees are able to act ethically and make critical ethical decisions when confronted with real world scenarios. This is apparent in the free form comments provided by respondents which highlight a level of uncertainty with regards to how to act when confronted by an ethical dilemma, or to whom to turn to for assistance and guidance. Furthermore, SAICA trainees expressed concerns that they may not have the level of experience when placed in a scenario where pressure is placed on them by partners or the client.

6. Recommendations

Drawing from the results of the survey and the comments of the respondents, the following **recommendations** are made.

6.1 Ethics education during university studies:

- **Recommendation 1:** Academics should reflect on the balance between practical application of ethical principles and addressing the theoretical components of ethics. Both are important and an appropriate balance is necessary.
- **Recommendation 2:** Ethics should not only be taught as a stand-alone course. Introducing the theory initially in a stand-alone course is appropriate (with the underlying theories of ethics and ethical behaviour found within the philosophy discipline). The ethics course should also include examples of practical applications that are further enhanced when ethics is integrated with the other disciplines.
- **Recommendation 3:** The university classroom provides a ‘safe space’ for discussions and role-play of ethical dilemmas that may be experienced in the world of work, without personal risks associated with job-loss, whistle-blowing and intimidation. Examples of discussions include aspects associated with lack of independence, being transparent, applying professional scepticism, having a critical mind-set and establishing self-values.
- **Recommendation 4:** Universities also have an important role to play by introducing consequences for students’ unethical behaviour. These include taking action against students who are copying from other students, faking sick notes and unethical conduct during tests and exams.

6.2 Ethics during training period:

- **Recommendation 5:** Ethics training should not be limited to a few hours of doing an online course or listening to a webinar. Regular discussions are required at all levels within the firm, where potential and actual ethical dilemmas are analysed and discussed.
- **Recommendation 6:** In addition to adhering to the firm’s own ethics policies, appointing an ethics partner and regular ethics training, a continuous self-awareness and discussion of ethical situations and conflicts are required.
- **Recommendation 7:** An ethical climate should be demonstrated at all the levels and in all activities of the firm. Seniors and partners should participate in ethics discussions and training. This starts with the ‘tone at the top’.
- **Recommendation 8:** Trainees are at the starting point of their professional careers and are impressionable. Trainees’ actions at work, such as arriving late at a client, wasting time to claim overtime, completing tasks without due care,

over-reliance on auditing procedures without applying professional scepticism, are some examples of unacceptable conduct and behaviour that should be reported and investigated, and if necessary, have consequences.

- **Recommendation 9:** Guidance, training and mentoring during the training period is paramount for the building of an ethical profession. A trainee mentoring programme that includes CA mentors from outside the firm (suggest as part of CPD) may address issues associated with ethical dilemmas and intimidation that a trainee may experience within his/her firm.
- **Recommendation 10:** SAICA may want to investigate the feasibility of offering an ethics hotline for trainees, when they feel the need to contact someone outside their firm.

In conclusion, ethical behaviour and professionalism are qualities that a chartered accountant is required to bring to any task. Whether recently qualified or highly experienced, all chartered accountants are required to uphold ethical principles and conduct themselves professionally. However, teaching and training of ethics and ethical behaviour can only go so far – ethics needs to be situated in the practical dilemmas that SAICA trainees will encounter in the workplace. It is also important to recognise that ethical actions and decisions are deeply rooted in who we are, our beliefs and individual perceptions of right or wrong. Reflecting this, it is important that conversations around ethics and ethical behaviour take place on a regular basis and that accounting students at university and SAICA trainees are given adequate space and freedom to examine their own ethical views and how these are likely to impact on decision making in the workplace when faced with ethical dilemmas.

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