



# SAICA

THE SOUTH AFRICAN INSTITUTE  
OF CHARTERED ACCOUNTANTS



## SAICA Strategy

2021 - 2023

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# Overview

## Chairman's overview

It gives me great pleasure to introduce the SAICA Strategy 2021-2023.

SAICA has had to revisit its strategy in order to be in a better position to respond to the changes and challenges the profession is currently faced with. The time in which SAICA finds itself is characterised by the rapidly shifting nature of business due to the global pandemic, changing member needs in order to remain relevant for the future, and an expectation for professional member bodies to focus more on sustainability of economies.

The purpose of SAICA is to be a globally respected and trusted professional member institute for highly skilled, responsible and ethical leaders who use the professional and leadership competencies to create sustainable value to their employers, stakeholders and the wider society and who create a significant difference in the sustainability of economies and societies. SAICA members want to be relevant, trusted, skilled and competitive with a premier standing in society and the marketplace.

It is against this backdrop that SAICA's Board and management created the strategic intent: to contribute to sustainable economies through developing responsible and ethical leaders. This intent will be actioned by focusing on four key strategic pillars:

1. Member value
2. Relevance and Reputation
3. Growth and Transformation
4. Organisational sustainability (renamed from Internal Efficiencies)

Therefore, it is critical that the management of SAICA continue to deliver on these four key pillars. Arguably, the most important focus is restoring trust and rebuilding the reputation of the profession, in order to ensure its relevance into the future for the benefit of all members.

Regards,

**Tsakani Maluleke**

**Chairman: SAICA Board of Directors**



# Overview

## Chief executive officer's overview

In 2021, SAICA will continue to focus on reputation management, by rolling out various initiatives that are aimed at rebuilding trust in the profession. This trust is vital for a successful economy and society. It is the combination of skills and individual character that creates trust in the profession and underpins its premium value in the marketplace. We cannot merely look to the outside and try to rebuild a reputation – we must also look on the inside and therefore SAICA has a number of initiatives in support of its employees as well as its members to enable them to truly make a difference in our economy and society.

In addition to rebuilding trust, the SAICA Board and management team considered the following themes a priority when they planned the strategy: disciplinary action, relevance, social responsibility, succession planning for all staff members, respect for leadership and transformation.

In an effort to align with these themes, SAICA's key operational objectives will include, but are not limited to, the following focus areas:

1. Delivering member value by promoting the premiership status of the CA(SA) designation and enhancing the member value proposition
2. Promoting common interest and professional competence of members and associates, nationally and internationally
3. Enhancing trust, ethical conduct and credibility of the profession in the economy and society
4. Growing and transforming the accountancy profession
5. Achieving financial sustainability as an organisation
6. Digitising operational processes to work quicker and qualitatively better, and accelerate strategic benefits
7. Empowering Human Capital to enhance innovation and employee engagement to create a better engaged organisation
8. Transforming the organisation internally regarding skills levels, culture, and gender and race representation.

Ongoing delivery on our strategic pillars means that SAICA will continue providing value that will enable its members and associates to make a difference by being trusted and respected; well represented; globally connected and recognised; relevant for the future; and properly supported.

Regards,

**Freeman Nomvalo**

**Chief Executive Officer**

**To assist with strategic planning, SAICA management conducted a comprehensive environmental scan and diagnostic review.** Its purpose was to understand SAICA's current internal state and the external environment, the impact of the COVID-19 pandemic, and to identify key internal and external issues facing SAICA.

**The external environment scan was administered by means of a macro-environmental PESTEL analysis and desk research.** The study included an analysis of global and local trends to gain insight into best practices before, during and after the pandemic.

**The internal environment scan sought to obtain input from all employees.** The results of a 2019 employee survey were analysed, and a strategy-specific employee survey was run in 2020 to probe key strategic issues. To obtain further insight into survey responses, a focus group was held with a representative sample of employees, along with individual diagnostic interviews with members of the Executive Committee (EXCO) and Management Committee (MANCO).

The internal scan identified the need for organisational cultural transformation, digital transformation, and an improved focus on people and members to better align with the changed context. During the MANCO strategic planning session held in June 2020, the management team discussed insights arising from the review of performance to date and came up with 10 strategic themes for the 2021/2023 strategy. In July 2020, both the management team (MANCO) and Board took part in a strategic planning session, informed by external and internal environment scanning insights. The internal and external scanning exercise sought to understand the impact of risks and opportunities on our value creation and capitals. In addition, the internal and external environmental scan, PESTEL analysis etc. formed the basis of our risk and opportunity identification.

Based on the strategic insights, existing SAICA strategic pillars i.e Member Value, Relevance and Reputation, Growth and Transformation and Organisational Sustainability, are still relevant and adequate in supporting the organisation to achieve its 'True North' vision. Strategic pillars will be supported by eight strategic objectives as reflected in the SAICA strategy map (Figure 1) below. To execute the strategy and close a gap between a measure's performance and its target, each strategic objective is underpinned by strategic initiatives.

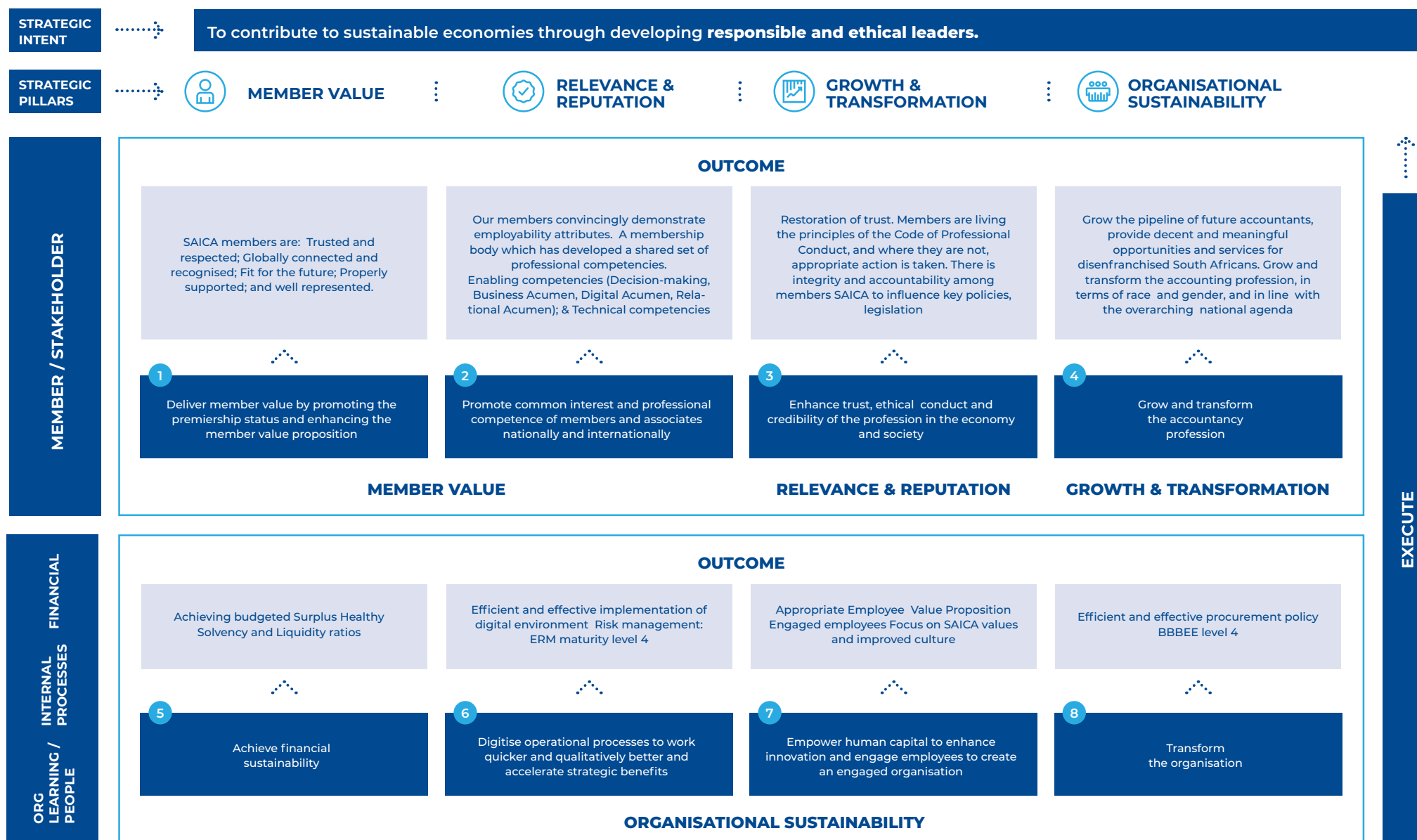


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The study included an analysis of global and local trends to gain insight into best practices before, during and after the pandemic

## 1.1 SAICA strategy map 2021-2023

Figure 1: SAIICA strategy map





The following roadmap highlights the steps followed in developing the F2021-23 SAICA strategy:

Figure 2: SAICA strategy development roadmap





## 3 | External environmental analysis

The purpose of the external environment scan was to help SAICA leadership answer the question:

“ How do we position SAICA’s fy2021–fy2023 strategy for post-pandemic success?




An overview of the methodology and key findings are set out below.

### 3.1 Pestel analysis\*

A Pestel Analysis of South Africa’s professional services industry was conducted to understand the political, economic, social, technological, environmental and legislative landscape influencing SAICA’s business, during and after the crisis. Key points from the analysis are set out in Table 1:

Table 1: Pestel analysis of South Africa’s professional services industry

PESTEL ANALYSIS	
 <b>Political</b>	<ul style="list-style-type: none"><li>• Uncertainty driven by policy decisions</li><li>• Governance failure in private and public institutions (sometimes assisted by the members of the profession)</li><li>• Accountancy profession still linked to state capture allegations through the audit work performed – loss of confidence</li><li>• Announcement by the Minister of Finance to review the auditing profession</li></ul>
 <b>Economic</b>	<ul style="list-style-type: none"><li>• Globally, the coronavirus shock is quite severe, even when compared to the Financial Crisis of 2007–2008</li><li>• Lockdown has led to a global recession</li><li>• Local impact:<ul style="list-style-type: none"><li>• Increase in price of electricity</li><li>• Increase in business closures and unemployment rate</li><li>• Decrease in tax collections</li><li>• Economic inequality remains a big challenge</li><li>• Businesses unable to operate for more than three months</li><li>• Business and consumer shift toward digital channels</li><li>• Failure to implement economic reforms</li></ul></li></ul>
 <b>Social</b>	<ul style="list-style-type: none"><li>• Inadequate or sub-standard education and skills development.</li><li>• Rise in community protests due to lack of service delivery</li><li>• Student protests for free education</li><li>• Worker strikes for a living wage</li><li>• High unemployment and high food prices could give rise to more social unrest, making it difficult for small businesses to thrive</li><li>• Shift in societal values</li><li>• The heightened awareness of racism and the damage it is causing to our society</li><li>• The need for society to tackle and eradicate gender-based-violence</li></ul>

PESTEL ANALYSIS	
 <b>Technological</b>	<ul style="list-style-type: none"> <li>• Cybercrime</li> <li>• Use of robotics and artificial intelligence has the potential to introduce new sources of growth, change how work is done and reinforce the role of people to drive business growth</li> <li>• Growth in disruptive technology changing the traditional way of doing business, rendering existing processes inefficient</li> </ul>
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>• Water shortages</li> <li>• Extreme weather conditions</li> <li>• Impact on food supply</li> <li>• Health of the population</li> </ul>
 <b>Legislation and regulatory environment</b>	<ul style="list-style-type: none"> <li>• Discussion on comprehensive regulation by IRBA</li> <li>• Changes in legislation, such as the mining charter, health care insurance, minimum wage regulations, health and safety, will affect business confidence</li> <li>• Corruption – and the growing public anger or intolerance for corruption</li> <li>• Trust erosion and reputational harm for the profession arising from unethical and sometimes criminal conduct of member</li> </ul>

*\*Sources: Listed on page 64*





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Understanding the political, economic, social, technological, environmental and legislative landscape influencing SAICA

### 3.2 Global trends\*

The impact of the Covid-19 crisis on global economic and business trends is set out in table 2.

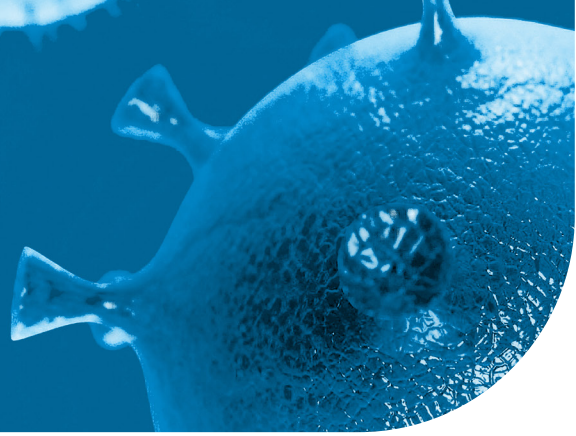
Table 2: Covid-19 — impact on global business and economic trends

GLOBAL TRENDS	
 <p><b>Business turnover</b></p>	<ul style="list-style-type: none"> <li>Global businesses are uncertain of the economic future</li> <li>Job losses and business closures are expected to weigh on demand until the end of 2021</li> <li>Over \$7tn in fiscal support has been pledged by G20 to assist consumers and business with the impact of lockdowns</li> <li>The IMF is ready to tap \$1tn in loan capacity</li> <li>Although fiscal support is available, it is insufficient on its own to assist with market recovery</li> </ul>
 <p><b>Global economy</b></p>	<ul style="list-style-type: none"> <li>Globally, the coronavirus shock is severe. 2020 will see the biggest drop in GDP since World War II</li> <li>Oil wars resulted in the OPEC++ agreement to cut output by 9.7 million barrels a day, but near-term West Texas Intermediate (WTI) oil futures turned negative as storage capacity ran out</li> </ul>
 <p><b>Consumer behaviour</b></p>	<ul style="list-style-type: none"> <li>Globally, between 25% and 63% of consumers expect their household income to continue to fall</li> <li>Consumers have shifted to digital channels, products and services</li> <li>During the pandemic, consumers adopted new ways of learning, working, entertainment, procuring essentials and non-essentials, connecting with others, and increasing wellness while at home</li> </ul>
 <p><b>Global Supply chains</b></p>	<ul style="list-style-type: none"> <li>COVID-19 has struck at the core of global value chain hub regions, including China, Europe and the US</li> <li>Industrial production in China was down 13.5% in January and February combined, compared to the same period in the previous year</li> <li>Significant declines have been seen in exports and imports of products used as intermediates in production, such as: textiles, electric and electronic equipment</li> </ul>

\*Sources: Listed on page 64

“ Over \$7tn in fiscal support has been pledged by G20 to assist consumers and business with the impact of lockdowns

# Impact of Covid-19 on the profession



## ➤ **Chartered accountancy worldwide – repositioning the profession**

While institutes should be managing the urgent and important issues of 'now', there is a once-in-a-generation opportunity to position chartered accountants as trust leaders of the future. This opportunity is best described by the idea of 'Difference Makers' — the people that businesses and governments can trust to get businesses and economies moving again. As 'Difference Makers', SAICA members should be the trust leaders of business, finance and accounting through the education, support and opportunities SAICA provides.

## ➤ **Chartered accountancy institutes have not been spared from the impacts of the crisis.** Most are experiencing serious losses as events are placed on hold. In addition, long-term recruitment is under stress and subscription fees are being questioned.

## ➤ **At the same time, members are in a time of intense need.** Many have never been busier, and need specific advice or assistance regarding the COVID-19 situation. Others are struggling as their practices are not geared to meet the needs of clients at this difficult time. Legislation is evolving, with significant implications for businesses, and many accountants are just keeping pace with the changes.

## ➤ **Institutes are responding by shoring up services and looking internally to weather the crisis and ensure survival.** Many have cut discretionary costs and programmes, reallocated staff to critical response functions and activities, and focused on supporting members and their immediate needs.



While it is imperative in a crisis for businesses to first manage exposure and near-term issues, those that simultaneously plan for the future, ahead of the market, will have the greatest opportunity to establish (or re-establish) their leadership. It is therefore prudent to be thinking strategically about the future as well as the tactical reality of now.

When considering the future ahead of the market, it is important to note that the accountancy profession is in a unique position. The pandemic created a 'hot-state' environment for accountants that is unlikely to be seen again for some time. Businesses have an acute need for accounting services, members need to differentiate to drive preference, and businesses around the world are actively listening for trusted voices to find the reliable and credible assistance they are desperate for.



### 3.3 South African trends\*

Table 3 highlights the effects of COVID-19 pandemic and the resulting national lockdowns on the business context of South Africa.

Table 3: Covid-19 impact on South African economic and business trends

COVID-19 IMPACT ON SOUTH AFRICAN ECONOMIC AND BUSINESS TRENDS	
<b>Business Turnover</b>	<ul style="list-style-type: none"> <li>Only 54% of businesses can continue without turnover for up to three months</li> <li>30.6% can survive less than a month without any turnover</li> <li>85.4% experienced a drop in turnover over the period</li> </ul>
<b>Business Activity</b>	<ul style="list-style-type: none"> <li>46.4% temporarily closed or paused trading activity during the national lockdown</li> </ul>
<b>Financial Resources</b>	<ul style="list-style-type: none"> <li>23.8% had less access to financial resources during the period</li> <li>38.2% of businesses applying for financial assistance said they would use government relief schemes</li> </ul>
<b>Workforce</b>	<ul style="list-style-type: none"> <li>54.4% don't expect their workforce size to change, while 36.8% expect it to decline</li> <li>To cope with the impact of the pandemic on their workforce, 28.3% of businesses have reduced working hours and 19.6% have laid off staff in the short term</li> <li>46.3% of the workforce were able to meet business demands</li> </ul>
<b>Markets</b>	<ul style="list-style-type: none"> <li>19.1% of businesses stated prices of materials, goods or services purchased increased more than normal</li> </ul>
<b>Business Survival</b>	<ul style="list-style-type: none"> <li>Economy projected to contract by 7% (It contracted by 51% in the second quarter)</li> <li>South Africa fiscal package of R500bn</li> <li>The construction, real estate, business services and transport industries were the most affected by lower-than-expected turnover</li> <li>65% of businesses anticipate that the impact of the pandemic will be substantially worse than that of the Financial Crisis of 2007–2008</li> </ul>

\*Sources: Listed on page 64

“ Understanding Covid-19 impact on South African economy

### 3.4 Responses to the COVID 19 pandemic

The COVID-19 crisis has disrupted the way the world operates and transformed the global business context. Governments across the globe have made significant interventions such as implementing lockdown rules, resulting in many temporary closures. Businesses have had to rapidly adjust to the shifting needs of their workforce, suppliers and customers, while navigating other operational and financial challenges.

The crisis has accelerated operational changes in the economy that were already in progress. These include the use of digital platforms to reach customers, allowing employees to work remotely and automating operations. Businesses have also had to address cash flow and resilience challenges in the short and medium terms while reimagining the 'new normal' in their medium- to long-term strategy. Organisations have had to understand what an intermittent shift looks like, and the implications of the shift on how they should reinvent themselves.

The following globally recognised best practice horizons could enable organisations to emerge in a stronger position than their pre-pandemic state, and ensure long-term prosperity:

#### ***3.4.1 Short term – resolve: immediate pandemic crisis response***

During the immediate crisis, organisations should develop and execute business continuity plans to address the immediate challenges presented to their workforce, customers and business partners.

#### ***3.4.2 Medium term – resilience***

Organisations should aim to address near-term cash management challenges and broader resiliency issues, during virus-related shutdowns and the economic knock-on effects. Leadership and cultural stability lie at the core of continued sustainability.

#### ***3.4.3 Long term – reform, reimagine and return: long term planning and renewal***

In the longer-term crisis period, organisations should:

- Be clear how regulatory and competitive industry environments may shift, and how to respond.
- Reimagine the new normal — what a discontinuous shift looks like, and the implications for reinventing themselves through creativity and innovation.
- Create a detailed plan for rapidly returning the business to scale as the situation evolves and the knock-on effects become clearer.



So, what does this mean for SAICA? According to a post-diagnostic assessment, SAICA's response for short term was adequate; It also needs to investigate possible improvements to the steps taken in response to the crisis. Medium term needed to be addressed in FY2020 — based on scenarios and insights from the diagnostic review. Finally, Long term should be addressed as part of the three-year strategic plan from 2021 to 2023, and in the 2020 progress review.

## 4 | Internal environmental analysis

The purpose of the internal environment scan was to gather contributions from SAICA's employees, management team and board of directors to inform the organisation's strategy. A strategy input survey was sent to all employees, and a specialised focus group session was held with a sample of employees. One-to-one interviews were conducted with members of EXCO and MANCO along with the board. The internal diagnostic review also involved reflecting and building on outcomes from a 2019 diagnostic review. The overview of the methodology and key findings are set out below: target, each strategic objective is underpinned by strategic initiatives.

### 4.1 Survey – employee perspectives

An employee survey was sent to all 206 employees of SAICA and 119 (57,8%) employees took part — an overwhelmingly positive response. The survey questions covered the following areas:

- Employee observations on SAICA's response to the COVID-19 pandemic and lockdown
- Follow up on themes from the employee engagement survey conducted in January 2020
- Employees' perspectives of what the strategy session should cover

Table 4 and Table 5 highlight some of the main themes and responses from the surveys.

#### Note on completion rate:



In the context of this report, the completion rate is defined as the number of people who answered a question, divided by the number of people that took the survey. The completion rate will assist in making conclusions about the credibility of the answers provided. A completion rate of  $\pm 80\%$  means the answers provided represent the general feelings of the employees.

“A strategy input survey was sent to all employees, and a specialised focus group session was held with a sample of employees



Table 4: Employee survey results on Covid-19 pandemic response.

## Impact of covid-19 pandemic

A	RESULTS	COMPLETION RATE	THEMES
	<p>I have been feeling</p>  <p>How would you rate your mental wellbeing during the past three months?</p>	 <p>100%</p>	<ul style="list-style-type: none"> <li>• Employees are moderately happy</li> <li>• Employees were not completely coping</li> </ul>
	 <p>My organisation helps me balance my work and responsibilities effectively while working from home.</p>	 <p>95%</p>	<ul style="list-style-type: none"> <li>• Only 79% of the employees are content with the support given by management</li> <li>• Employees do not get the same treatment; Some are prioritised over others</li> <li>• Lack of communication</li> </ul>
	 <p>I trust our management team to make decisions that protect me and my colleagues during the pandemic.</p>	 <p>94%</p>	<ul style="list-style-type: none"> <li>• Most employees trust management with their wellbeing</li> <li>• They are satisfied with how management prioritised employee health and safety</li> <li>• Profit before employees (8% believe that if given the opportunity, management will choose profit over the safety of employees)</li> </ul>
	 <p>I have been receiving the right amount of communication during the past three months.</p>	 <p>95%</p>	<ul style="list-style-type: none"> <li>• Most employees received adequate communication from management</li> </ul>

A	RESULTS	COMPLETION RATE	THEMES
	 <p>Open-ended questions</p>	 <p>92%</p>	<ul style="list-style-type: none"> <li>• Employees felt more productive working from home</li> <li>• Some employees felt overwhelmed by remote working — working from home often results in pressure and tight deadlines, to prove productivity to management</li> <li>• Safe — no contact with people</li> </ul>

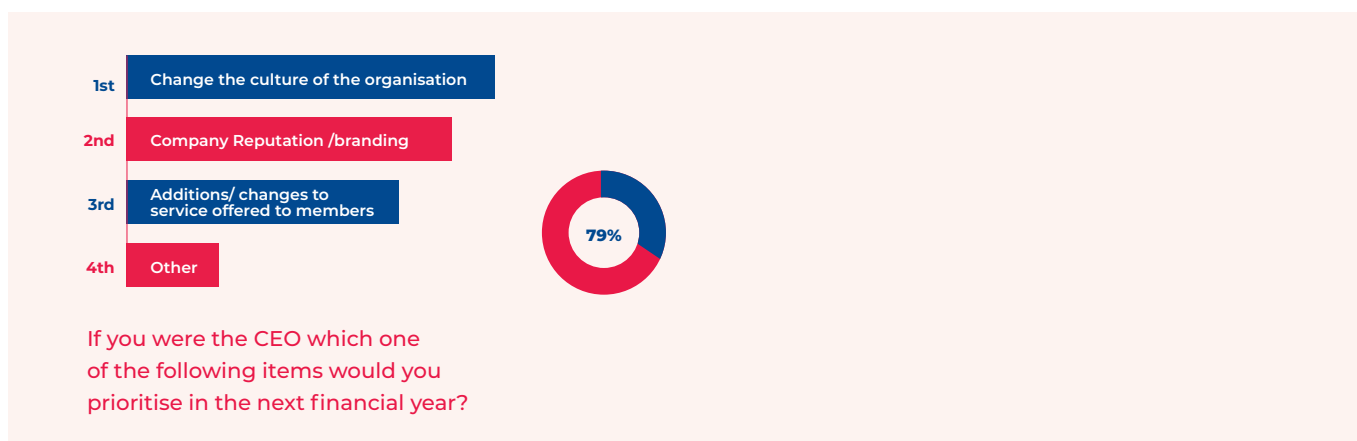
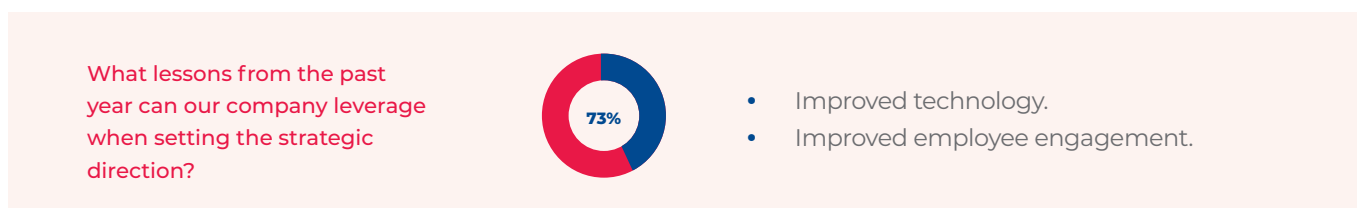
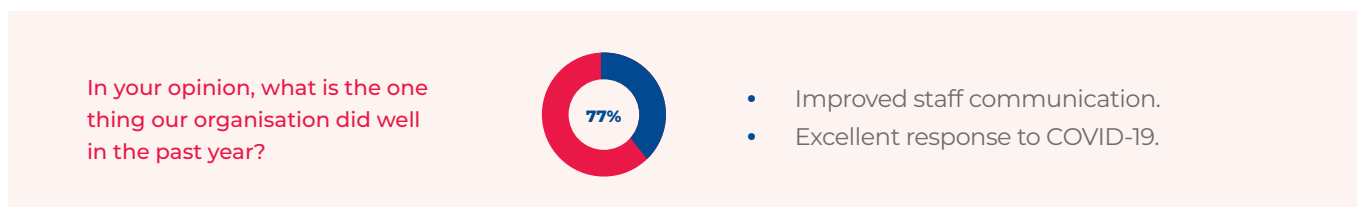
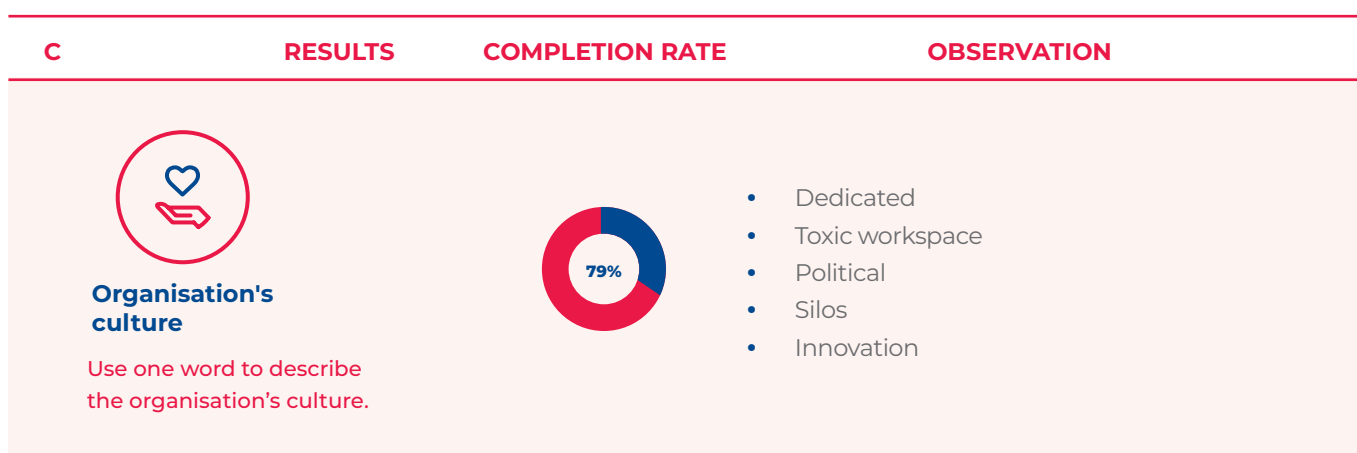
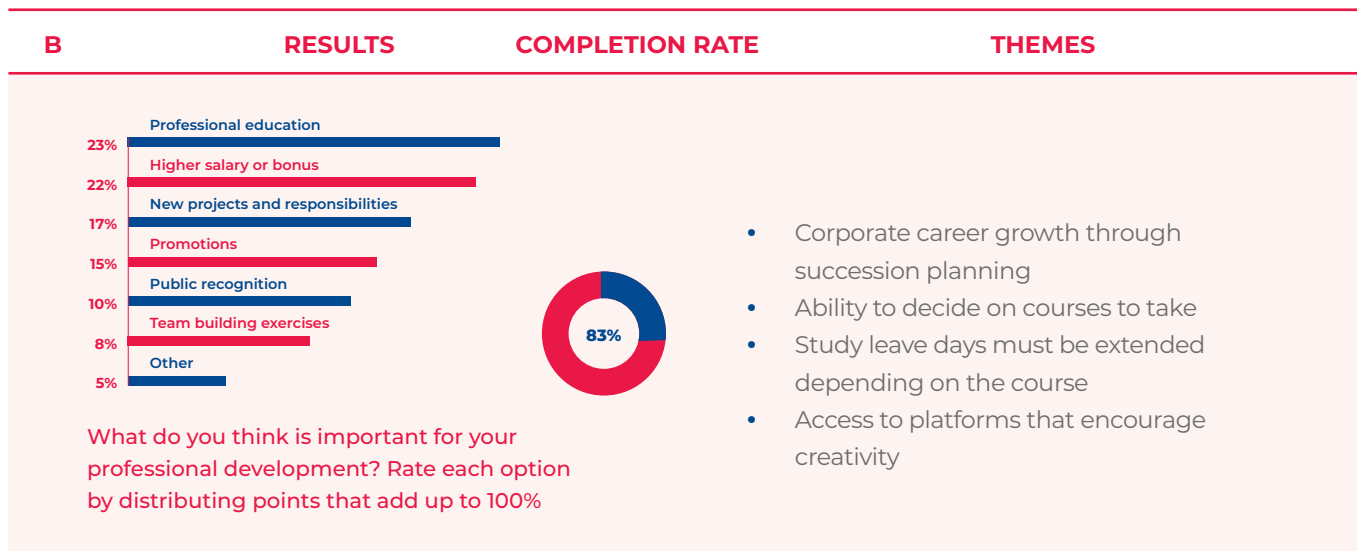
	 <p>Open-ended questions</p>	 <p>91%</p>	<ul style="list-style-type: none"> <li>• Not enough resources (paper, scanning, internet) — some employees feel that they are not adequately equipped to work from home</li> <li>• Connectivity issues</li> <li>• Managing remote staff is complicated — the line between underperformers and overperformers becomes blurred</li> <li>• No provisions for people who have distractions at home (e.g. children)</li> <li>• No reskilling for people whose projects cannot be completed from home</li> <li>• No check-in meetings/ communication between employees</li> <li>• Team collaboration, communication and interaction</li> <li>• Increased productivity</li> <li>• Access to critical information</li> <li>• Lack of trust from management</li> </ul>
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“ A high level of participation was displayed in the focus group meeting

Table 5: Employee Survey Results on Follow-up Questions from Employee Engagement Survey Conducted in January 2020

### Follow-up on employee engagement survey from January 2020

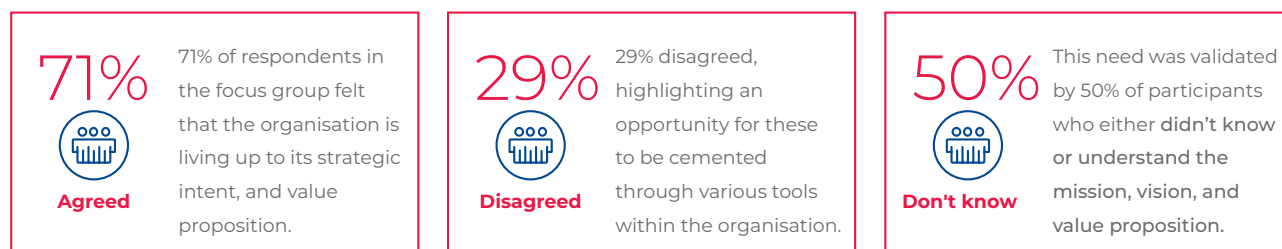
B	RESULTS	COMPLETION RATE	THEMES
	 <p>Do you feel that the concerns raised in the employee engagement survey are being addressed affectively?</p>		<ul style="list-style-type: none"> <li>• Management does not prioritise the needs and concerns of all employees</li> <li>• Management chooses what, and what not, to improve</li> <li>• Management does not keep its word</li> </ul>
	 <p>Open-ended questions</p>		<ul style="list-style-type: none"> <li>• Employees do not feel respected by management</li> <li>• Employees would appreciate an equal opportunity to contribute and make a difference</li> <li>• Employees are satisfied with the sense of job security they feel in the organisation</li> <li>• Employees are not sure about their impact in the organisation</li> <li>• They are content with the overall employment packages</li> <li>• Would appreciate the opportunity to learn and grow</li> <li>• Employees feel that they are not treated fairly and there is a lack of inclusivity</li> <li>• Employees are unhappy with the lack of communication on the decision made to forfeit incentives in 2020.</li> <li>• Some employees mentioned that the work that they do is challenging enough and interesting.</li> <li>• There is a lack of employer-to-employee trust.</li> <li>• There is a lack of teamwork and collaboration.</li> <li>• The misalignment in scorecards results in competition with other departments.</li> <li>• Individualism, people work in silos.</li> <li>• There is generally a lack of communication from management in the organisation.</li> <li>• Company culture is concerning.</li> <li>• There is no one right answer, everyone's contribution should be respected.</li> <li>• Employees not allowed to take the lead.</li> <li>• There is a lack of accountability.</li> </ul>



#### 4.2 Diagnostic interviews — focus group (SAICA divisions)

A focus group was held with a select group of employees per division to obtain further insight into survey responses. A high level of participation was displayed in the focus group meeting.

The process indicated that SAICA's cultural transformation should be prioritised. During the focus group, employee ownership of the required cultural shift was tested, by assessing how close SAICA employees felt to the organisation's strategic intent and value proposition:



Participants stated that the biggest challenges to living up to the organisation's strategic intent and value proposition are:

1. Indecisive leadership
2. Structural changes when new leaders are appointed
3. SAICA is caught between member and public interest

They also validated the need for an internal cultural shift, communication, and transparent engagements with employees.

#### 4.3 Diagnostic interviews — leadership

All members of the EXCO and MANCO teams were interviewed individually to ensure inclusivity and anonymity in fully expressing their ideas. The purpose of the interviews was to understand what management members identified as the highlights and lowlights of FY2020 strategy implementation, and what could be improved going forward.

Feedback from diagnostic interviews with the SAICA management teams revealed the following:

- 1 Implementation of strategy**  
The 2019 strategy was not clear for all. However, the organisation still managed to make gains in restoring confidence in the profession, while advancing with growth and transformation and improving relevance on accounting profession technical guidance through increased media exposure. Management teams generally felt that the organisation was moving in right direction. At the same time, internal and external issues persist which need to be resolved to enable the organisation to maintain its thought leadership and member value.
- 2 Initiatives that will be driven in 2020**  
SAICA management teams expressed the desire to:
  - Drive initiatives to support members in navigating the impacts of COVID-19 (loss of jobs and income, elevated stress etc.)

- Embrace technology
- Address funding sustainability
- Improve accessibility and exposure for historically disadvantaged and rural communities (i.e. for young people from rural schools to learn more about the profession and its opportunities)
- Rebuilding of the profession's reputation
- Optimising disciplinary processes

3

### **Internal challenges that might prevent the success of initiatives**

Generally, SAICA management teams are geared towards the organisation's success.

However, the following concerns were noted:

- Unclear strategic direction
- Insufficient resources (positions required for focus areas)
- Low staff morale due to issues from employee survey not being addressed
- Toxic environment
- Decisions made without consultation
- Scorecard process unclear and complicated
- IT support
- Bureaucracy and lack of streamlined processes
- Divisions in silos
- Lack of cohesion between board and management team
- Management team conflicts and unclear roles
- Poor performance management

4

### **Indicators of success in the upcoming year**

Management teams believe that key indicators of success in the coming year are:

- Members agreeing that SAICA has met their expectations
- Internally, improved communication, impactful leadership, improved collaboration and an elevated focus on employees will help achieve desired external success

## **4.4 Diagnostic interviews — the SAICA board**

Interviews with various board members revealed the following:

### **Relationship between board and management:**

- The EXCO team and new board of directors went through a 'storming' phase. Storming usually starts amid a conflict of team members' natural working styles. People may work in different ways and alternative working styles can cause unforeseen problems and become frustrating for individuals.
- Overall, however, the relationship between the board and management team has improved significantly

### **General alignment:**

- There appears to be alignment across the organisation — from employees to management teams and the board of directors — on key issues for the organisation, its potential to grow beyond current challenges and what the strategy should achieve in the long term.

## Strategic themes

The SAICA board of directors consider the following themes a priority in the strategy planning process for the organisation:

01 <b>Brand reputation</b>	To restore SAICA's brand reputation and the credibility of the profession after damaging past events, and to maintain its reputation going forward.
02 <b>Disciplinary action</b>	To build on disciplinary actions and processes, focusing not only on the negative but also advocating, acknowledging and celebrating good behaviour.
03 <b>Relevance</b>	To be relevant in society in terms of ethics (people respect who you are) and excellence (helping society with your skills and being good at what you do) as well as understanding and responding to member journeys.
04 <b>Social responsibility</b>	To increase its corporate social responsibility footprint, especially in the fight against COVID-19.
05 <b>Succession planning</b>	To enhance quality across the organisation, and improve succession planning for all employees at every level.
06 <b>Respect</b>	To address issues between management teams and employees, including the inherent lack of respect.
07 <b>Transformation</b>	To provide accreditation to more universities to offer CA (SA) studies. To support internal and external racial and gender transformation across the organisation and profession.

## 4.5 Members' perspectives — the council

Strategic discussions with the members in the regional council as well as written input from the national council:

- It would appear that there is little reference to the Members in Business (MIB) constituency being the largest constituency. Adequate resources should be deployed to service MIB. This has been a concern for several years.
- The strategy appears to be internally focused.
- Organisational culture needs urgent attention.
- Growth and Transformation of the profession is a strategic imperative and the strategy should have an emphasis on this important aspect



## 5 | SAICA strategy considerations

The strategic intent is broad but should highlight the ethical component more than before. The new SAICA strategic intent is 'to contribute to sustainable economies through developing responsible and ethical leaders.'

The following are the key strategic questions that SAICA needs to address:

### 5.1 Are the existing strategic pillars still relevant and adequate to help SAICA achieve its strategic intent?

SAICA being a professional member body, its strategic thrust is inherent in its character. The existing SAICA pillars are still relevant and adequate in supporting the organisation to achieve its strategic intent — steering the organisation to resolve today's issues, while continuing to serve its members. While the pillars remain, they should be streamlined and adjusted, to reposition priorities and actions in the context of a changed environment.

Internal transformation is also required to enable resilience and agility in a post-pandemic world. Since sustainability applies to all strategy discussions, the 'Internal Efficiencies' pillar will be re-named 'Organisational Sustainability'.

### 5.2 What will make SAICA's offerings relevant, in a post Covid-19 world?

The impact of COVID-19 presented critical considerations for SAICA, creating a need to review current offerings. SAICA should address the impact of failures which resulted in loss of confidence. As a result, the failure of member businesses should be avoided in the interest of the whole profession.

To improve relevance, the member expectation gap (i.e. what SAICA offers versus what members want) should be tackled. Secondly, the CA skill set should be realigned to a changing technological environment, where specific new skills could be a specific area for focused assistance.

SAICA should also develop close collaboration with other institutes, by exploring new opportunities to add more age-group relevant offerings. This could include designing courses/programmes (relevant in and post COVID-19), improving the pace of decision making, considering digital offerings (online education platform, YouTube Channel, etc.) and leveraging on-point communication across all digital platforms (Social Media Platforms, LinkedIn, FB etc.).

“ Internal transformation is also required to enable resilience and agility in a post-pandemic world

## 5.3 What changes are needed in the operating model to achieve the strategic intent?



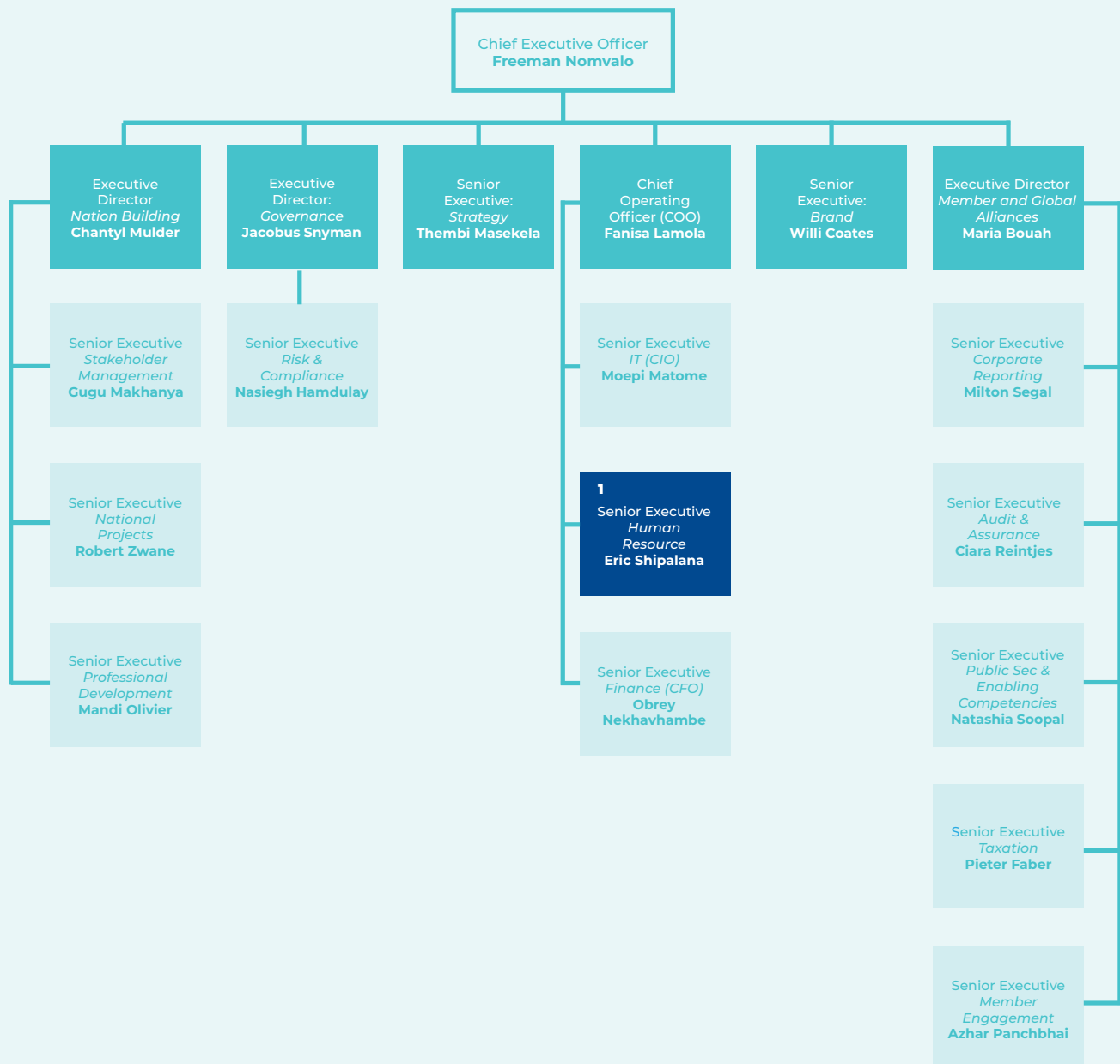
### 5.3.1 Organisation and people

- Clarify reporting lines in the organisation's organogram
- Address various areas for improvement, as indicated by the employee surveys:
  - Succession planning for all levels of staff
  - Addressing limited opportunities for promotion
  - Realising returns on investments in staff development by using developed skills more effectively
  - Strengthening staff engagement by providing regular interactions with all levels of management
  - Developing and implementing a clear talent management strategy
  - Upskilling staff for 4IR
  - Recognising and providing opportunities for innovation

The areas of improvement will be addressed as follows:

- **Succession planning for all levels of staff and Developing and implementing a clear talent management strategy:** this will be addressed by the Human Resources plan as part of talent management initiative.
- **Addressing limited opportunities for promotion:** Will be addressed by Employee Value Proposition initiative
- **Realising returns on investments in staff development by using developed skills more effectively:** Will be addressed by Employee Value Proposition initiative
- **Upskilling staff for 4IR and recognising and providing opportunities for innovation:** Digital transformation initiatives (ushintsho and other projects) will address this area of improvement.
  - The COVID-19 pandemic forced SAICA and its employees to transition to fully remote operations
  - SAICA and its employees will continue to operate remotely
  - It is imperative for SAICA to be ready for any future disruption
  - SAICA will adopt a blended approach to its operating model i.e. a combination of working remotely (e.g from home) as well as working from the physical SAICA office when necessary
  - Managers and teams will continue to identify their business requirements needs to enable this model
  - These requirements will inform SAICA's business plan for 2021-2023
  - The vast majority of SAICA's staff are all knowledge workers and as such, remote working is not a hindrance to delivery on SAICA's individual, divisional and organizational objectives. SAICA's business operations are and continue to be digitally enabled.
  - For the organization to deliver its strategy and the structure must be woven together seamlessly and be able to deliver strategy execution
  - SAICA's current organizational structure is strategy-structure fit for strategy execution

Figure 3: SAICA management



1. Fixed term contractor

“

SAICA needs to build a culture that allows for experimentation, where people adopt a ‘fail fast and pivot swiftly’ mentality



### 5.3.2 Leadership

Leadership includes Board, EXCO and MANCO. There is a concern that EXCO and MANCO are not working optimally and lack alignment and focus, making it difficult to find solutions in an agile manner and with full accountability.

The organisation should think about the bigger picture, rather than being internally focused, by implementing a mindset change programme. This means that leaders should take responsibility and lead by example through personal transformation, and creating an environment where people are allowed to fail, as well as succeed, where **'No one fails – we all learn.'** Regarding the relationship between board and management, there is a need for increased visibility, collaboration and engagement. Six-monthly facilitated group discussions with MANCO and Board members were proposed, where each Senior Executive would provide direct progress feedback.



### 5.3.3 Processes

To improve current processes, the following is key:

- Roles should be clarified between Board Technical Committees (e.g. IPD, National Tax) and Management regarding authoritative powers, decision making and strategic alignment
- Distributions of short summaries of updated Terms of Reference being conducted by technical committees
- Re-alignment of cost structures
- Streamlining and reviews of policies
- Improved turnaround times for procurement and legal. Agility and flexibility are needed, and contracts should be concluded with less debate on detailed clauses
- Processes to optimise talent within the organisation



### 5.3.4 Culture

SAICA requires a cultural transformation to achieve the organisation's 'True North Star'. Achieving internal change is paramount, before achieving external change, and the organisation's vision should be linked to those of individual managers and staff members.

Although the organisation's culture embraces high performance and accountability, it is not consistent across all levels. Leadership teams should lead by example through clear communication and guidance, and accountability to eliminate the current culture of entitlement, criticism, defensiveness and blaming. There is a pressing need for more integration between different divisions. By embedding a culture of learning and information sharing, mindsets can be transformed to support the organisation's goal of making a difference, internally and externally. Remote working will be the new normal for SAICA, and attitudes need to adapt to be more agile, driven by outcomes that achieve it.



### 5.3.5 Tools and technology

SAICA is increasing its focus on technological enablement in order to enhance its organisational sustainability which will further improve member experience. SAICA has a number of initiative to transform the customer or member journey, and drive business process improvements through the implementation of a modern Customer Relationship Management facilitating a single view of the member.

Further to this, SAICA is focusing on equipping members, staff and students to ensure that they remain relevant in the future. This includes, amongst others, the introduction of the learner management system which will help in evolving our training methods while curbing revenue leakages experienced during the COVID-19 national lockdown.



### 5.3.6 Six capitals to deliver on the SAICA strategy and value creation

Our relevance as an institute today and in the future and our ability to create long-term value are interrelated and fundamentally dependent on the form of capitals available to us. To deliver on our strategy, as well as generate value for all stakeholders, we require inputs of these capitals. Whilst we appreciate that SAICA is impacted by all the capitals in varying degrees, as an organisation with a primary focus on member and social benefit, SAICA does not use significant environmental resources, nor does it have a material environmental impact.

#### Human capital

Employee engagement will be enhanced through amongst others the implementation of a mindset change programme and regular feedback mechanisms

#### Intellectual capital

Strong brand - SAICA's strong reputation and its designations i.e CA(SA), AGA(SA), AT(SA)  
Digital transformation initiatives aim to improve member experience, provide a comprehensive view of the SAICA value chain and drive business process efficiency  
SAICA's Competency Framework – Will enable a membership body who has developed a shared set of professional competencies. Thought leadership initiatives and technical development

#### Financial capital

Membership subscriptions, examination and training-related fees, and revenue from services and products offered to members. Donor funding for developmental programmes from companies, firms, government, members and individuals. There is a slight concern on the cash flow. SAICA may not raise sufficient cash as previously achieved due to challenges in the external environment brought by the pandemic. This is posing a challenge and the discussion around the revenue generation plan will be further explored to ensure financial sustainability.

### Social and relationship capital

Member participation through the various SAICA structures. Developmental programmes driving educational and skills development initiatives, and transformation in the profession. SAICA strategy will stakeholder inclusive as stakeholder engagement is key to strategy execution. SAICA members assist Government with key projects and apply their intellectual capital to a wide range of areas in the profession as, for example, captains of industry

### Manufactured capital

SAICA's education and training programmes are delivered through the infrastructure of universities, private providers and training offices around the country. SAICA rents premises in Johannesburg (Head Office), Durban, Cape Town and Bloemfontein, from which all operations are conducted.

## 5.4 What does transformation mean for SAICA?

### 5.4.1 Internal Transformation

SAICA's internal transformation could focus on the following:

- Improving the BBB-EEE score
- Having a 50/50 representation on gender
- **Digital transformation** — embracing digital transformation for external excellence, where existing systems must be challenged, and initiatives moved to a digital platform
- **Cultural transformation** — driving an inclusive culture through changing minds to become more collaborative, agile and resilient
- **Skills transformation** — a SAICA skills assessment, identifying and addressing key gaps

### 5.4.2 External Transformation

External transformation for SAICA should focus on the following:

- Growing and transforming the membership of SAICA to reflect the demographics (both race and gender) of an economically active population.
- Addressing rising inequalities in the country and its impact on the talent pipeline. Students in HDIs are struggling, when many professionals with old devices could donate these to students.
- Introducing mentorship and coaching, where senior members of the profession develop younger members as part of CPD.
- Understanding root causes for lower pass rates and proactively developing professional and leadership skills to pay it forward. Suggestions included providing practical experience for university students, and involving the Basic Education Level to improve pass rates.
- Reviewing the CA(SA) curriculum for relevance within the CA2025 framework, such as including language and philosophical studies, or providing a 4-year degree.
- Transforming the reputation, ethos and culture from 'elitist or profit-generation' to service and societal improvement.

## 5.5 Identified strategic themes

The following 10 themes were identified as being key to the organisation's strategy direction for FY2021 to FY2023:

The top 10 themes are as follows:

01

### Driving a collaborative organisational culture



The company needs to embrace the attitude of an 'outward mindset' where individuals see others' needs, to create collective results. A collaborative culture creates an environment for open and honest feedback and helps people grow.



### Impactful leadership from an internal and external perspective

Organisation values must inspire courageous leadership to empower individuals to make difficult decisions and take action. SAICA's people — particularly those in management roles — must be able to embrace empathy, be self-aware, demonstrate a certain level of vulnerability and show accountability.

02

03

### Sustainability



SAICA should operate in a way that enables it to deliver on its strategy in a sustainable way. It should operate efficiently and exploit lessons from the virtual operating environment during COVID-19.



### Internal organisational transformation

SAICA should improve its BBBEE level from 6 to 4 by addressing BBBEE initiatives as per the BBBEE strategy.

04

05

### Digital transformation



To stay competitive and relevant, companies must prioritise digital transformation. While the need has been accelerated by the COVID-19 pandemic, digital transformation improves the speed at which IT issues are addressed and increases transparency to avoid employee and member frustration. Systems need to ensure enough information to enable remote interactions, and the use of leading technology to improve member experiences, e.g., offering online learning to members.



### Operational efficiency

SAICA must introduce programs to enable a cost-conscious culture and efficient operating model.

06



### Relooking at true member value, relevance and brand reputation



07

How will SAICA assist its members post-pandemic and not leave them behind? By being connected to the external world (and not being inward-facing), this could include looking at the member pricing strategy to address their expectations.

### Inclusivity/Ensuring no one is left behind



SAICA should be accountable for narrowing the gap between members' expectations and its offering. There are many internal member views which suggest a lack of understanding and knowledge about SAICA initiatives targeted at supporting them.

08

### Elevate focus on people

The organisation must show that it cares about its people and is invested in their success. This includes implementing management processes to ensure individuals are respected, valued and empowered. By focusing on its people — skilled and high-performing employees — the organisation will encourage a strong company culture that attracts and retains top talent.

09

This means that management should consider and actively address employee issues raised in recent surveys and employee engagements. Employees at every level should be involved in making important decisions, where leaders and team members co-create suitable solutions. Create a 'cradle-to-grave' employee value proposition. What do employees need across the full employee lifecycle? How are we using internal skills and our investment in professional development to improve SAICA? How do we incorporate equality and inclusion in every possible way?



### Becoming a more agile operation

SAICA needs to build a culture that allows for experimentation, where people adopt a 'fail fast and pivot swiftly' mentality. Individuals and teams must be encouraged to continuously evolve, improve, and embrace challenges while working together to resolve them.

The five basic principles that enable an agile environment are:



- Humility: Acknowledge you do not know everything; collaborate and co-create solutions with others.
- Knowledge: Do not assume other people's competence; pay attention to what others say and learn from them.
- Adaptability: Understand that change is constant; management and staff should be able to navigate solutions in uncertain environments.
- Visionary: Do not allow short-term obstacles to impede your long-term view.
- Engage: Keep yourself involved and never stop trying.

10

## 5.6 Material matters

Materiality is determined by considering matters that support or affect, in some way or another, SAICA's strategic intent. Material matters are also those that have the potential to affect SAICA's ability to create and sustain value for its various stakeholders in the short, medium and long term.



Covid-19 and its impact on the business, the response and the recovery process



Remaining relevant and responsive under difficult economic and regulatory conditions



Delivering excellence to advance professional competencies



Enhancing stakeholder impact through collaboration, transformation and technology



Restoring trust in the profession through advancement of ethics matters and accountable discipline



Leveraging sound governance to achieve operational efficiency, sustainability and resilience

## 6 | Strategy proposal

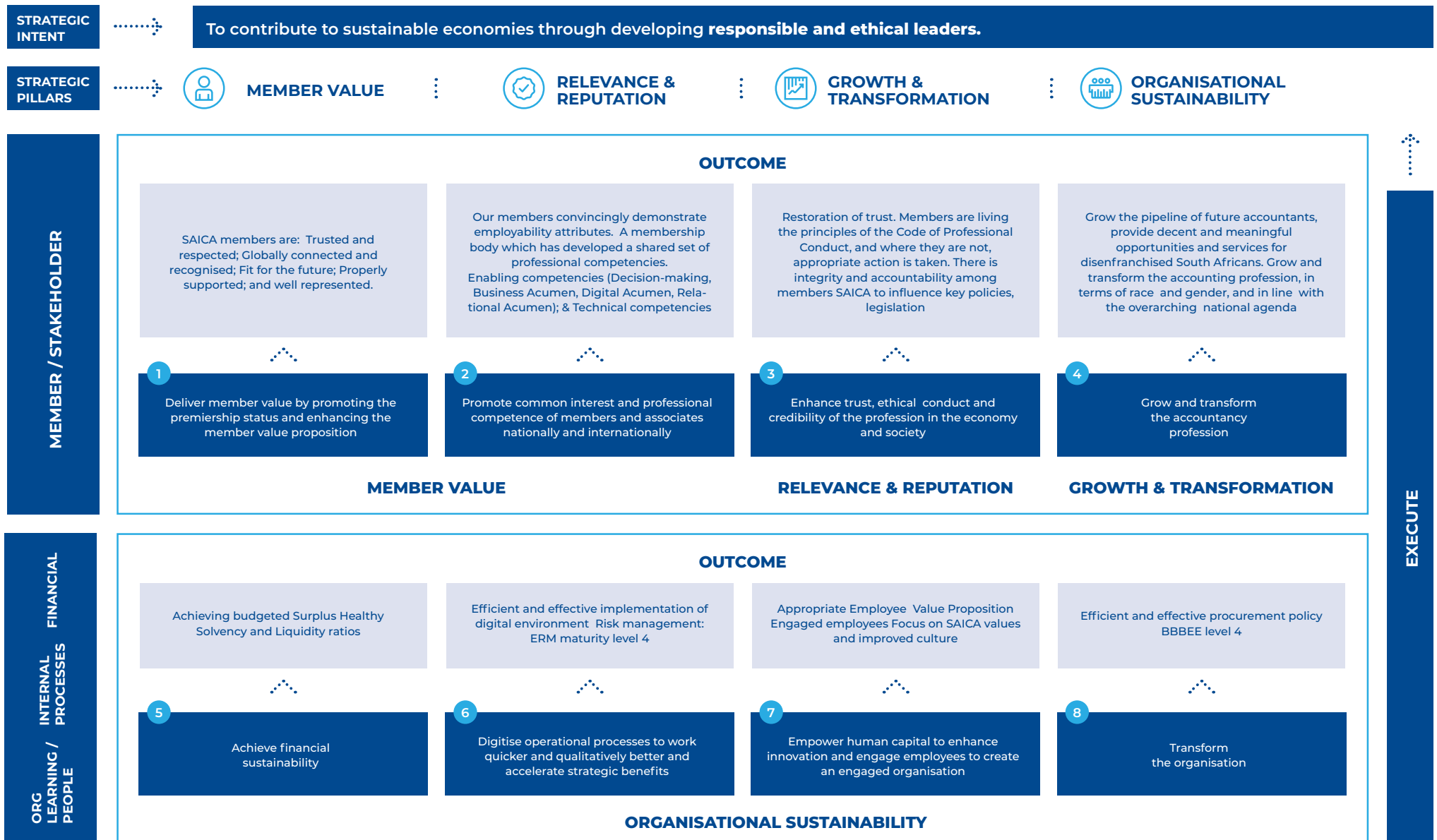
The current crisis occasioned by slow economic growth and exacerbated by the coronavirus pandemic requires new investment. This in turn requires a well-functioning capital market anchored by a reliable accountancy profession. The corporate failures that have bedevilled the profession need immediate and urgent attention.

It is important for the profession to be a trusted partner that can make a difference by contributing to building sustainable economy in South Africa. It is thus believed that the current SAICA strategic pillars are still relevant and adequate to achieve SAICA's strategic intent. SAICA has identified four strategic pillars and eight strategic objectives to achieve the strategic intent.

“

It is important for the profession to be a trusted partner that can make a difference by contributing to building sustainable economy in South Africa

Figure 1: SAICA strategy map



## 7 | Strategic pillars

### A. Member value



Improving member value is central to SAICA's success, and offerings should cater to all members (i.e. young, old, employed, entrepreneurs, etc.). This includes clarifying membership benefits/ value propositions by understanding what members want and addressing those needs effectively. SAICA should ensure that members are agile and resilient, by considering how to achieve its goals through its membership base.

Finally, the **'financial sustainability' strategic objective** will be moved to the **'organisational sustainability'** pillar in line with the outcome of providing member value.

### B. Relevance and reputation



**Building trust and ethical conduct** are key focus areas for the organisation, considering historic disciplinary failures. This strategic pillar should be prioritised, and deliberate efforts employed to correct past reputational damage, as SAICA's reputation is a key driver for attracting and retaining members.

SAICA must also find ways to remain relevant in times of inequality and unemployment, both for its members and wider society. This means moving the strategic objective **'promote common interest of members and associates nationally and internationally'** to the **'member value'** pillar

### C. Growth and transformation



To enable SAICA's growth and transformation, the organisation must play an active role in addressing inequalities.

By influencing policy to address the challenges faced by its members, SAICA can become part of the solution, and stay connected with national and international social and political agendas.

**To grow its membership base, technology should be leveraged as a catalyst to support accreditation of institutions.**

### D. Organisational sustainability



The COVID-19 pandemic has highlighted the need for introspection around organisational sustainability. As the need for various changes becomes more apparent, there should be an internal drive to become faster and agile to deliver member value, achieve relevance and impact on society. **This means reducing existing divisional silos, embarking on a cultural transformation journey, and reconsidering the organisation's structure (i.e. It the organisation's size, business model, etc. if it's still fit for purpose?).**

The following strategic objectives will support the identified strategic pillars:

1

**Deliver member value by promoting premiership status and enhancing member value proposition**

**Strong Brand:** To ensure that the profession has business value, it is admired and SAICA is a reputable organisation that drives well respected brands (CA, AGA, AT). All Members understand and buy in to the need and relevance of belonging to a professional body.

2

**Promote common interest and professional competence of members and associates, nationally and internationally**

**Competency:** Developing a shared set of professional competencies. Professional competence is knowledge, skills, attitudes and values. These competencies include:

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

3

**Enhance trust, ethical conduct, and credibility of the profession in the economy and society**

**Integrity:** Members should be living the principles of the Code of Professional Conduct, and where they are not, appropriate action must be taken. Members should be socially conscious (focus is broader than on just deriving profit from an entity).

4

**Grow and transform the accountancy profession**

The profession has presence in schools to increase member pipeline. Increased number of accredited training and higher education providers for all SAICA designations is crucial.

5

**Achieve financial sustainability**

Achieving SAICA budgeted Surplus is key, as well as achieving healthy Solvency and Liquidity ratios.

6

**Digitise operational processes to work quicker and qualitatively better, and accelerate strategic benefits**

To stay relevant, SAICA will prioritise digital transformation. While the need has been accelerated by the COVID-19 pandemic, digital transformation improves the speed at which IT issues are addressed and increases transparency to avoid employee and member frustration and improve member satisfaction index from the PHI perspective.

## Empower human capital to enhance innovation and engage employees to create an engaged organisation

By elevating focus on people, SAICA will be showing that it cares about its people and is invested in their success. This includes implementing management processes to ensure individuals are respected, valued and empowered. The cradle to grave Employee Value Proposition is crucial. SAICA should become a more agile organization by building a culture that allows experimentation, where people adopt a 'fail fast and pivot swiftly' mentality

## Transform the organisation

### Internal Transformation:

- Improving the BBB-EEE score
- Having a 50/50 representation on gender
- Cultural transformation — driving an inclusive culture through changing minds to become more collaborative, agile and resilient
- Skills transformation — a SAICA skills assessment, identifying and addressing key gaps
- External Transformation:
- Growing and transforming the membership of SAICA to reflect the demographics (both race and gender) of an economically active South African population.
- Addressing rising inequalities in the country and its impact on the talent pipeline.
- Introducing mentorship and coaching, where senior members of the profession develop younger members as part of CPD.
- Understanding root causes for lower pass rates

In the 2021/2023 strategy, SAICA has four strategic pillars supported by eight strategic objectives, as set out in the figures below.

Figure 4: F2021 – F2023 strategic pillars and objectives

Bsc perspectives	Strategic pillars	Strategic objectives	
MEMBER / STAKEHOLDER	A. Member Value	Deliver member value by promoting the premiership status and enhancing the member value proposition	1
		Promote common interest and professional competence of members and associates nationally and internationally	2
	B. Relevance & Reputation	Enhance trust, ethical conduct and credibility of the profession in the economy and society	3
	C. Growth & Transformation	Grow and transform the accountancy profession	4
Financial	D. Organisational Sustainability	Achieve financial sustainability	5
Internal Processes		Digitise operational processes to work quicker and qualitatively better and accelerate strategic benefits	6
		Empower human capital to enhance innovation and engage employees to create an engaged organisation	7
		Organisational learning / People	Transform the organisation



**Executive summary:**

- A risk review was performed by the risk and compliance team as part of the Enterprise Risk Management (ERM) process to Review, Revise and Communicate risks, to ensure that the SAICA's strategic risk profile is aligned to its 2021- 2023 strategic objectives.
- The SAICA Strategic Risk Register was workshopped to members of management and comments received were considered.

**Overview – ERM process**

- A review of the current SAICA strategic risk register and the 2021 strategy was to gain insights on any new emerging risks and the relevance of the existing approved risks to the updated SAICA 2021-2023 strategy.
- The changes to the SAICA 2020 strategy (in green) included the refinement of the strategic objectives and the reinforcement thereof through the inclusion of the strategic narratives (in green) which further explains the strategic objectives.
- The process followed to update the SAICA Strategic Risks is aligned to the approved SAICA Enterprise Risk Management (ERM) Policy and Framework which was updated in line with the COSO Risk Management Framework: 2017, King IV and the ISO 31000:2018 Risk Management – Principles and Guidelines Standard and best practice. The fundamental principle is that integrates risk with performance management and strategic objectives.
- It should be noted that most of the current 2020 strategic risks are still relevant and only a few were added to align to the revised SAICA 2021-2023 strategy.
- All refinements are highlighted in green in the revised strategic risk register.

**ERM governance**

- The SAICA's Group Board, its sub-committees and respective Entities Boards will continue to provide oversight of the SAICA Enterprise Risk Management process as formally defined within their respective terms of reference / charters.

**Risk appetite and tolerance framework**

- The approved Risk Appetite and Tolerance Framework enhances the governance, management and maturity of ERM practices within the SAICA Group and its related Entities.
- The framework defines Key Risk Indicators which will be tracked and monitored by management on a quarterly basis. Any breaches to the identified Risk Appetite and Tolerance levels will be reported to the ExCo and subsequently to the AudCo.

**Combined assurance**

- SAICA's combined assurance model will ensure a holistic view and integrated approach to the assurance of key risks as identified in the strategic risk register and actual performance of the SAICA Group and its Entities.
- The ERM policy and framework identifies five lines of assurance in the model to provide assurance of the effectiveness of internal controls

## Enterprise risk maturity journey

- The ERM maturity journey will be further enhanced by the phased introduction of the Risk-Control Self-Assessment (RCSA) tool and the introduction of the Enterprise Risk and Compliance Management (ERCM) Solution beginning of 2021.
- Management will continue to prioritise the embedding of the risk culture through enterprise-wide risk management (ERM) workshops and training for all staff.

## Risk dashboard and summary of strategic risk

### Risk legend

STRATEGIC PILLAR	RISK CODE	STRATEGIC OBJECTIVE
Member value	PPS	Deliver member value by promoting premiership status and enhancing member value proposition
	PCI	Promote common interest and professional competence of members and associates, nationally and internationally
Relevance and reputation	TEC	Enhance trust, ethical conduct, and credibility of the profession in the economy and society
Growth and transformation	GT	Grow and transform the accountancy profession
Organisational sustainability	FS	Achieve financial sustainability
	DOP	Digitise operational processes to work quicker and qualitatively better, and accelerate strategic benefits
	HC	Empower human capital to enhance innovation and engage employees to create an engaged organisation
	TO	Transform the organisation
DESCRIPTION		RISK MANAGEMENT RESPONSE GUIDE
Extreme	99% Probability - consequence is occurring now or could occur within days to weeks. Controls are weak / non-existent. Exposure may have a significant impact on the achievement of SAICA's performance goals.	Take immediate action to reduce risk. Executive management is responsible for intervention, with regular reporting on the progress of results as well as performance.
High	>50% Probability - could occur within weeks to months. The remaining risk may have a significant impact on the achievement of SAICA's performance goals. Current controls need to be enhanced in order to perform within the acceptable risk tolerance level.	Take action to reduce risk. Management intervention where appropriate, implementation of improvement opportunities, and validation of controls.
Moderate	>20% Probability - may occur shortly, within months. The remaining risk is within the acceptable risk tolerance level, however management continues to monitor the exposure and reduce the impact. Impact on SAICA's performance goals may be long term.	Manage by routine and appropriate policies, procedures and processes, which include regular management review.
Low	<20% Probability - occurrence requires exceptional circumstances or may occur in the future (within years). Mostly acceptable level of residual risk – Requires minimal control improvements.	Manage by routine policies and operational procedures.
RISK TREND		
→ Risk remained constant		↑ Risk has increased
		↓ Risk has decreased

CRITERIA FOR INHERENT RISK ASSESSMENT						
PROBABILITY/ LIKELIHOOD	Almost Certain	High	High	Extreme	Extreme	Extreme
	Likely	Moderate	High	High	Extreme	Extreme
	Moderate	Low	Moderate	High	Extreme	Extreme
	Unlikely	Low	Low	Moderate	High	Extreme
	Rare	Low	Low	Moderate	High	High
		Insignificant	Minor	Moderate	Major	Critical
IMPACT/ CONSEQUENCE						

Summary of Strategic Risk – By inherent Risk (to be read with the criteria for inherent risk rating above)

SAICA STRATEGIC RISK DASHBOARD						
	Almost Certain					
	Likely		PCC 1 TEC 1 TO 1 DOP 5	GT 1 DOP 5 DOP 2 DOP 4		
	Moderate		GT 2	PPS 1 PCI 2 TEC 2 TEC 3 FS 1 HC 1 GT 3	DOP 6	
	Unlikely			DOP 3		
	Rare					
		Insignificant	Minor	Moderate	Major	Critical
IMPACT/ CONSEQUENCE						

## Strategic risk register

RISK CODE (INHERENT RISK)	STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	STRATEGY NARRATIVE	RISK DESCRIPTION	KEY CAPITALS IMPACTED: FINANCIAL; HUMAN; SOCIAL AND RELATIONSHIP; MANUFACTURED; ENVIRONMENTAL; AND INTELLECTUAL
PPS1	Member Value	Deliver member value by promoting the premiership status and enhancing the member value proposition (PPS)	Strong Brand: To ensure that the profession has business value, it is admired and SAICA is a reputable organisation that drives well respected brands (CA, AGA, AT). All Members understand and buy in to the need and relevance of belonging to a professional body.	Diminishing value of all SAICA designations resulting in decline in membership (Members or prospective members do not buy in to the need and relevance of belonging to a professional body)	Intellectual Social and Relationship; Manufactured Financial; Human;
PC11		Promote common interest and professional competence of members and associates nationally and internationally (PCI)	Competency: Developing a shared set of professional competencies. Professional competence is knowledge, skills, attitudes and values. These competencies include:  <ul style="list-style-type: none"> <li>Professional skills and values (Ethics, Lifelong learning, Citizenship);</li> <li>Enabling competencies (Decision-making, Business Acumen, Digital Acumen, Relational Acumen)</li> <li>Technical competencies</li> </ul>	SAICA losing recognition nationally and internationally resulting in SAICA and members not being invited and recognised as thought leaders, to participate and contribute in matters relevant to the profession.	
PC12				Members and Associates losing their accreditation to perform regulatory functions through the repeal of applicable regulation (CA (SA) Designation Act, APA, etc.)	
TEC1	Relevance and Reputation	Enhance trust, ethical conduct and credibility of the profession in the economy and society (TEC)	Integrity: Members should be living the principles of the Code of Professional Conduct, and where they are not, appropriate action must be taken. Members should be socially conscious (focus is broader than on just deriving profit from an entity).	No reliance on SAICA and member opinions and negative rating of the impact of the profession by decision makers	Intellectual Social and Relationship; Manufactured Financial; Human;
TEC2				Loss of confidence in member's professional competencies (including their conduct in terms of the Code of Professional Conduct and competencies required by CA2025) and skills.	
TEC3				Loss of confidence in SAICA's educational programmes, that they will not produce students with the competencies required by training offices and the market resulting in SAICA's inability to attract new members	

## Strategic risk register Continued

RISK CODE (INHERENT RISK)	STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	STRATEGY NARRATIVE	RISK DESCRIPTION	KEY CAPITALS IMPACTED: FINANCIAL; HUMAN; SOCIAL AND RELATIONSHIP; MANUFACTURED; ENVIRONMENTAL; AND INTELLECTUAL
GT1	Growth and Transformation	Grow and Transform the Accountancy Profession (GT)	<p>The profession has presence in schools to increase member pipeline. Increased number of accredited training and higher education providers for all SAICA designations is crucial.</p> <p>External Transformation:</p> <ul style="list-style-type: none"> <li>• Growing and transforming the membership of SAICA to reflect the demographics (both race and gender) of an economically active South African population.</li> <li>• Addressing rising inequalities in the country and its impact on the talent pipeline.</li> <li>• Introducing mentorship and coaching, where senior members of the profession develop younger members as part of CPD.</li> <li>• Understanding root causes for lower pass rates</li> </ul>	Loss of strategic stakeholder (government and funders) confidence and inability to attract funding for growth and transformation initiatives	Intellectual Social and Relationship; Manufactured Financial; Human;
GT2				Ineffective management of the perception of the lowering of qualifying criteria and standards as a result of the transformation programme	
GT3				Decline in intake of learners to attract into the profession.	

## Strategic risk register Continued

RISK CODE (INHERENT RISK)	STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	STRATEGY NARRATIVE	RISK DESCRIPTION	KEY CAPITALS IMPACTED: FINANCIAL; HUMAN; SOCIAL AND RELATIONSHIP; MANUFACTURED; ENVIRONMENTAL; AND INTELLECTUAL
FS1	Organisational Sustainability	Achieve financial sustainability (FS)	Achieving SAICA budgeted Surplus is key, as well as achieving healthy Solvency and Liquidity ratios	Unable to serve SAICA members and stakeholders resulting in SAICA Group ceasing to exist.	Financial
DOP1		Digitise operational processes to work quicker and qualitatively better and accelerate strategic benefits (DOP)	To stay relevant, SAICA will prioritise digital transformation. While the need has been accelerated by the COVID-19 pandemic, digital transformation improves the speed at which IT issues are addressed and increases transparency to avoid employee and member frustration and improve member satisfaction index from the PHI perspective.	Risk of data breaches and cybercrime leading to downtime.	Intellectual Manufactured
DOP2				Non-compliance to laws and regulations pertaining to processing, storing, securing and sharing of data	Manufactured
DOP3				Failure to support Board and Board sub committees in line with Governance best practice through: <ul style="list-style-type: none"> <li>Effective internal processes</li> <li>Compliance with legislation, regulation, Acts relevant to the business of SAICA and its controlled Entities</li> <li>Implementation of all SAICA strategic projects</li> </ul>	
DOP4				Collapsing of the back-end system (IMIS) which houses member data as a result of outdated infrastructure	
DOP5				Poor quality of data / information	Intellectual Manufactured
DOP6				Inability to continue business in an event of an emergency or disaster (including COVID-19 pandemic)	Manufactured

## Strategic risk register Continued

RISK CODE (INHERENT RISK)	STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	STRATEGY NARRATIVE	RISK DESCRIPTION	KEY CAPITALS IMPACTED: FINANCIAL; HUMAN; SOCIAL AND RELATIONSHIP; MANUFACTURED; ENVIRONMENTAL; AND INTELLECTUAL
HCI	Organisational Sustainability	Empower human capital to enhance innovation and engage employees to create an engaged organisation (HC)	By elevating focus on people, SAICA will be showing that it cares about its people and is invested in their success. This includes implementing management processes to ensure individuals are respected, valued and empowered. The cradle to grave Employee Value Proposition is crucial. SAICA should become a more agile organization by building a culture that allows experimentation, where people adopt a 'fail fast and pivot swiftly' mentality  - Cultural transformation — driving an inclusive culture through changing minds to become more collaborative, agile and resilient	There is a risk of organisational underperformance	Human
TOI		Transform the organisation (TO)	Internal Transformation: - Improving the BBB-EEE score through: • Having a 50/50 gender representation (Employment Equity) • Skills transformation — a SAICA skills assessment, identifying and addressing key gaps • Enterprise development • Socio-economic development • Preferential procurement	Loss of credibility amongst stakeholders (resulting in loss of funding and relationships) (partnerships and alliances) due to an unfavourable BBBEE rating	Human Financial Social and Relationship Intellectual

## 10 | Strategic initiatives to execute the strategy



### A. Relevance and Reputation - Restoration of trust and reputation

The process of restoring trust and admiration in SAICA and its designations is a comprehensive strategy supported by numerous multidisciplinary teams across the SAICA business. There is an understanding that the audit profession needs to change in order to address trust restoration and reputational issues. SAICA strategy needs a strategic pivot from narrow “member” to broad “Public Interest”. This strategy will address these issues with a special focus on relevance and reputation strategic pillar. **Eight** strategic initiatives will link the strategic objective of enhancing trust, ethical conduct and credibility of the profession in the economy and society to action plans to achieve this objective (Figure 5).

Integrated ethics plan execution strategic initiative as highlighted in Figure 4 will drive awareness and professional ethics which will be promoted by developing and implementing an integrated ethics plan. This initiative has the strong focus on the citizenship, ethics and leadership as core competencies expected from the CA profession. It is aligned with the objectives of the other strategic initiatives executed by SAICA e.g. Audit reform initiatives. SAICA will explore collaboration with other thought leaders to make it possible for SAICA to identify ethics issues and measure effectiveness of its ongoing programmes.

By-laws have been enhanced to ensure that members are living the principles of the Code of Professional Conduct, and where they are not, appropriate action is taken. Formalising disciplinary matters communication is crucial and legal restrictions will be carefully considered. Initiatives to optimise disciplinary procedures aim to achieve this goal.

Members should be socially conscious and focus should be broader than just deriving profit from an entity. Implementation of the Sustainable Development Goals initiatives including reporting and publishing thereon is aimed at achieving this objective.

SAICA needs to reposition key advocacy agendas to ensure effective way forward regarding promotion of the future relevance of the profession as well as trust restoration and promotion of ethics and professional integrity (Courageous conversations, unite4mzansi)

SAICA has a comprehensive, Board-approved reputation management and communication plan which is built on reconstructing trust in the profession (#trustreconstruction) and showcasing that the profession is of national value (#aprofessionofnationalvalue) (Effective communication strategy execution initiative)



### B. Member Value

Creating value for our members is SAICA's primary focus and one of the fundamental priorities of our strategy. This value is created in a number of ways, not least by protecting the value of the CA(SA) brand. SAICA will continue to focus on helping our members make a difference in the communities where they live and work, thereby ensuring that SAICA members are:



- trusted and respected;
- globally connected and recognised;
- fit for the future;
- properly supported; and
- well represented.

### 1. Trusted and respected

To achieve this goal, SAICA has developed brand-building initiatives that showcase the value of all three SAICA's designations in the marketplace and promote brand equity and relevance of these designations (**Member reach and member profiling initiatives**). Positive and quantifiable social contribution is one of the top five leading drivers of trust and admiration in the SAICA brand as well as those of its three designations.

### 2. Globally connected and recognised

#### Strategic and global partnerships

#### Employability and international mobility

SAICA is an active participant in a number of international forums. Interactions with our global partners are an important part of our advocacy role, which provide SAICA with valuable input to our member engagement activities and inform global standard-setting. Our international partnerships also support our strategy, ensuring the continued relevance of the profession and providing member value through a platform where SAICA can promote the CA(SA) brand and the work of the professionals who hold this designation (**Employers' engagement initiatives on the skills needs**).

### 3. Relevant for the future

#### Education and Continuous Professional development

Considering that the world is rapidly moving forward, SAICA has to respond to the significant changes facing the accountancy profession. These include the increasing pace of change and disruptive technologies of the Fourth Industrial Revolution, as well as the continued improvement in technology and its broadening prevalence in the workplace. This is particularly relevant for accountants as intelligent systems can now execute some of their traditional basic functions. SAICA's approach to creating members that are fit for the future, include a new lifelong learning (CPD) policy, the CA2025 project and adapting our learning offerings to match a changing world of work (**Pathway to relevance framework**)

### 4. Supported

#### Member support and structures

Improving internal efficiencies is part of the SAICA strategy and the projects that form part of this strategy are important enablers to improve the value and service we offer our members. Regular communication and engagement with members are imperative for good service delivery (**Implementation of the learning and development platform, Implementation of the SAICA website revamp project**)

## 5. Well represented

### Strategic stakeholder engagement and advocacy

Building an ethical culture and enhancing risk and governance processes, both within SAICA and in the broader profession, are priorities for SAICA. This includes ensuring that we are a part of conversations that are of national importance and matters that impact the profession (**Stakeholder Engagement initiatives**)



### C. Growth and Transformation

Among South Africa's top three areas of concern remain the lack of access to quality education to all, extreme poverty and unemployment particularly in the youth demographic and the ever-growing inequality gap that exist between our citizens. SAICA exemplifies the concept of value creation for our members and the country by focussing its efforts on projects that seek to: (**Thuthuka programmes**)

- grow the pipeline of future accountants,
  - provide decent and meaningful opportunities and services for disenfranchised South Africans.
- Growth and
- transform the accounting profession, in terms of race and gender, and in line with the overarching national agenda.

To grow SAICA's membership base, technology should be leveraged as a catalyst to support the objective (**Digitisation of Grades 10-12 accounting text books**). SAICA needs to address rising inequalities in the country and its impact on the talent pipeline. (**Schools and tertiary institutions engagement initiatives**) Introducing mentorship and coaching, where senior members of the profession develop younger members as part of CPD. Understanding root causes for lower pass rates and proactively developing professional and leadership skills. Providing practical experience for university students, and involving the Basic Education Level to improve pass rates. Reviewing the CA(SA) curriculum for relevance within the CA2025 framework, such as including language and philosophical studies etc. (**Common CTA for HDI's**)



### D. Organisational Sustainability

No matter how strong the strategic plan is, its efficacy will be held back by employees if they don't share the proper culture to execute the strategy, "Culture eats strategy for breakfast". Driving a collaborative organisational culture is crucial for organisational sustainability. SAICA needs to embrace the attitude of an 'outward mindset' where individuals see others' needs, to create collective results. A collaborative culture creates an environment for open and honest feedback and helps people grow. (**Organisational culture improvement initiatives**).

SAICA needs to build a culture that allows experimentation, where people adopt a 'fail fast and pivot swiftly' mentality. Individuals and teams must be encouraged to continuously evolve, improve, and embrace challenges while working together to resolve them. Therefore, becoming a more agile operation and enabling an agile environment will promote flexibility to accommodate new challenges. Digital transformation and staying competitive and relevant is a product of continually developing innovative ideas. While the need has been accelerated by the COVID-19 pandemic, digital transformation improves the speed at which IT issues are addressed and increases

transparency to avoid employee and member frustration. Systems need to ensure enough information to enable remote interactions, and the use of leading technology to improve member experiences (**Digital transformation initiatives**)

Elevating focus on people has been identified as a strategic imperative for seamless strategy execution. The organisation must show that it cares about its people and is invested in their success. This includes implementing management processes to ensure individuals are respected, valued and empowered. Create a 'cradle-to-grave' employee value proposition. What do employees need across the full employee lifecycle? How are we using internal skills and our investment in professional development to improve SAICA? (**Employee value proposition (EVP) initiatives, Talent management initiatives**)

SAICA must introduce programs to enable a cost-conscious culture and efficient operating model. SAICA should operate in a way that enables it to deliver on its strategy in a sustainable way. It should operate efficiently and exploit lessons from the virtual operating environment during COVID-19. (**Initiatives to manage working capital and investments**)

Internal organisational transformation: SAICA should improve its BBBEE level from 6 to 4 by addressing BBBEE initiatives as per the BBBEE strategy. (**Improvement of the BBBEE score initiatives**).

“ SAICA should improve its BBBEE level from 7 to 4 by addressing BBBEE initiatives as per the BBBEE strategy

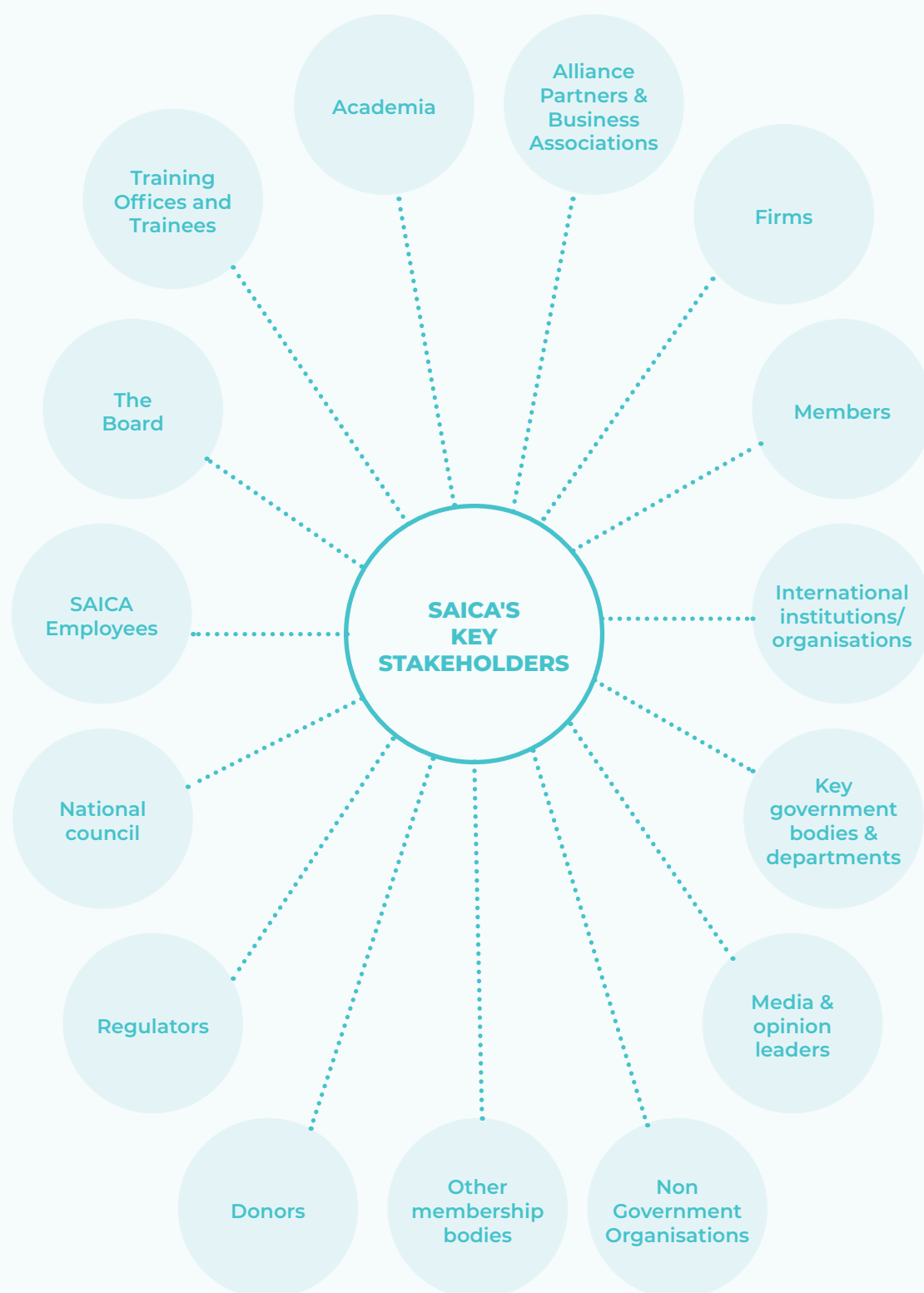
Figure 5: Strategic initiatives



# 11 | SAICA stakeholders

## SAICA stakeholders

Figure 6: SAICA key stakeholders

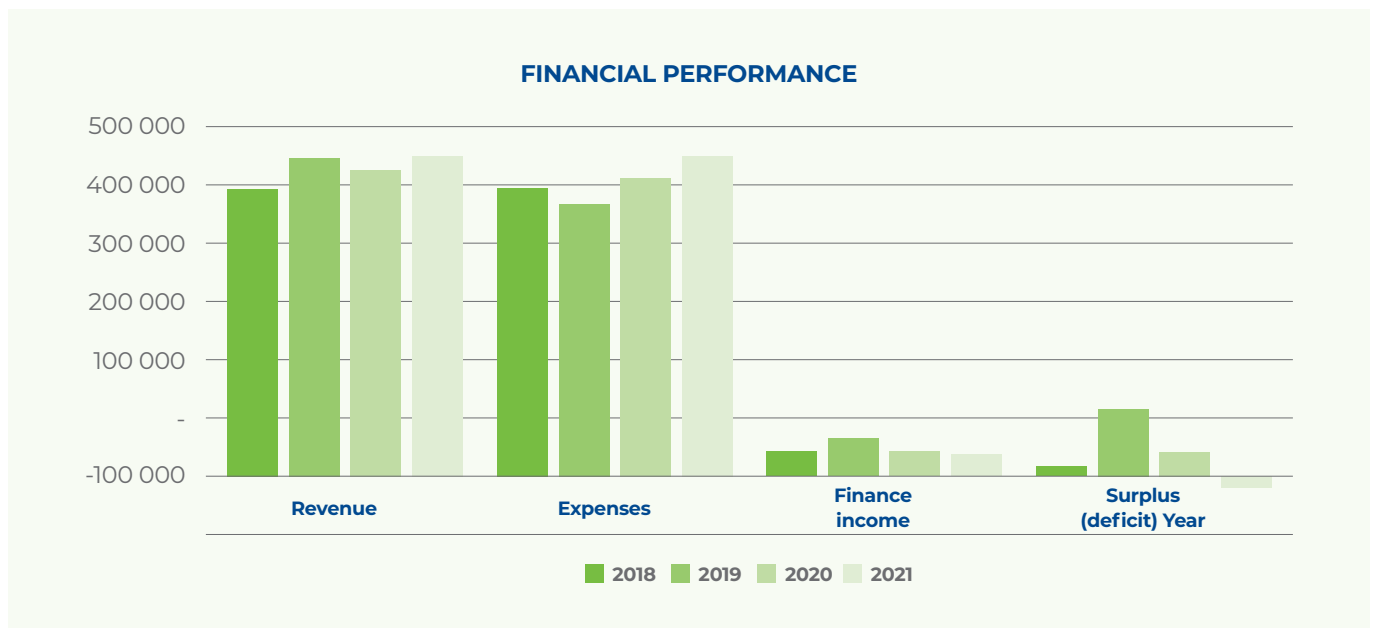


BALANCED SCORECARD PERSPECTIVES	STRATEGIC OBJECTIVES	CAPITALS	KEY STAKEHOLDERS /PROFESSIONAL BODIES	OUTPUTS
	1. Deliver member value by promoting the premiership status and enhancing the member value proposition	Social Intellectual	Members Firms Academia	Our members occupy leadership roles in business and in society. They are seen as inspirational The profession is admired and has business value Members satisfied with member experience and service
	2. Promote common interest and professional competence of members and associates nationally and internationally	Intellectual	Members Firms Academia Other membership bodies International institutions/ organisations	Our members convincingly demonstrate employability attributes. A membership body who has developed a shared set of professional competencies. Enabling competencies (Decision-making, Business Acumen, Digital Acumen, Relational Acumen); & Technical competencies
	3.Enhance trust, ethical conduct and credibility of the profession in the economy and society	Social	Regulators Members Firms Alliance partners & Business associations Non Government Organisations	Restoration of trust Members are living the principles of the Code of Professional Conduct, and where they are not, appropriate action is taken (Integrity) There is integrity among members SAICA to influence key policies and decisions in the public interests

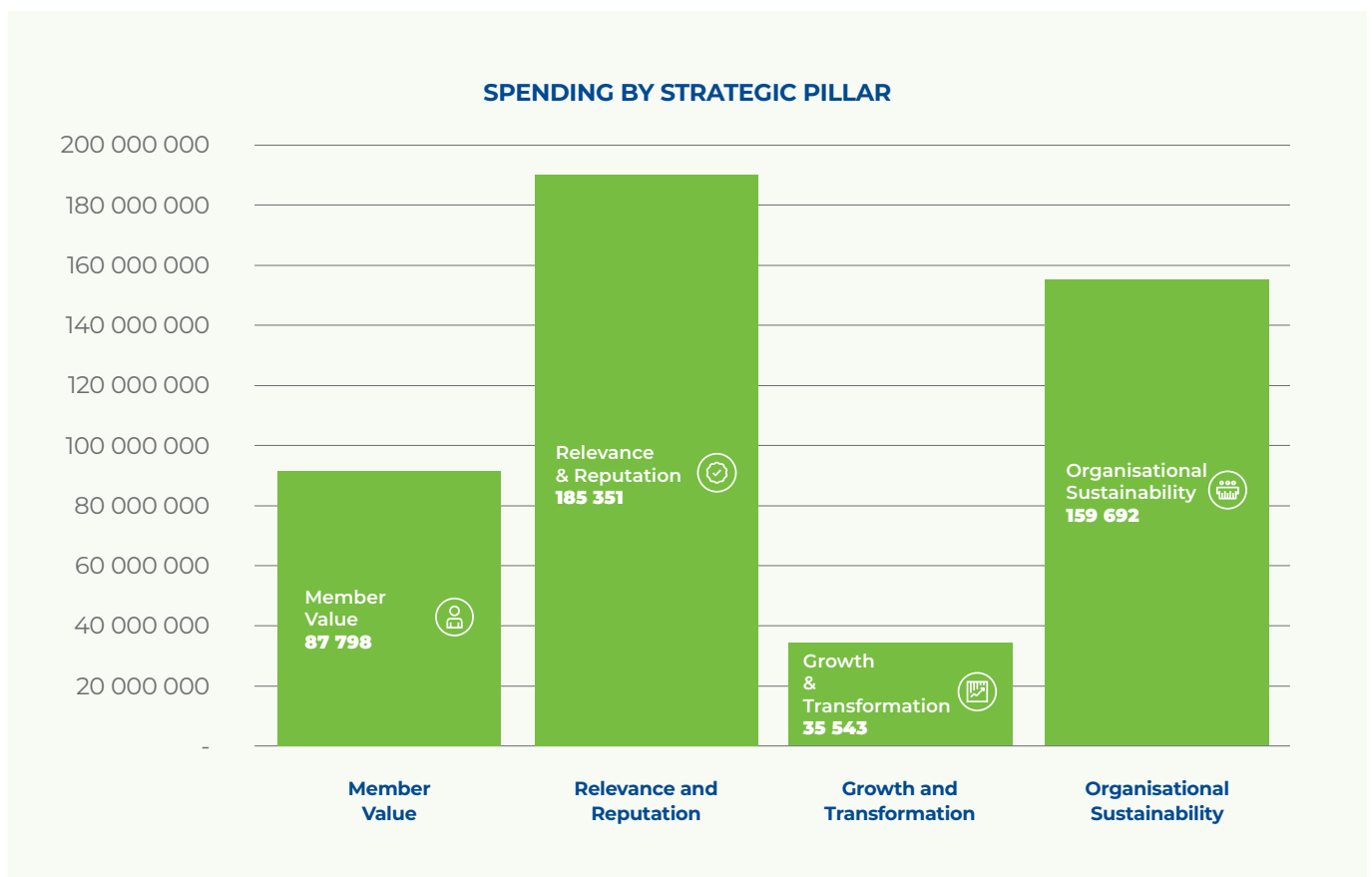
BALANCED SCORECARD PERSPECTIVES	STRATEGIC OBJECTIVES	CAPITALS	KEY STAKEHOLDERS /PROFESSIONAL BODIES	OUTPUTS
<b>Stakeholder</b>  	4. Grow and transform the accountancy profession	Social	Academia Training Offices and Trainees Donors	The profession has presence in all schools that offer mathematics Candidates who are already in the pipeline are successfully exiting the processes. SAICA is responsive to all matters relating to transformation inside and outside the profession Candidates who are already in the pipeline are successfully exiting the processes
<b>Financial</b>  	5. Achieve financial sustainability	Financial	Members Donors	Revenue
<b>Internal process</b>  	6. Digitise operational processes to work quicker and qualitatively better and accelerate strategic benefits	Social Human Manufactured	Employees	Efficient and effective implementation of digital environment Risk management: ERM maturity level 4
<b>People</b>  	7. Empower human capital to enhance innovation and engage employees to create an engaged organization	Social Human	Employees Government	Appropriate Employee Value Proposition Engaged employees Focus on SAICA values and improved culture
	8. Transform the organisation	Social	Employees Government	Efficient and effective procurement policy BBBEE level 4

# 12 | SAICA 2021 - 2023 budget and financial plan

## 1.1 Financial plan



## Link to strategy





## 1.2. Financial performance for the year ending 31 december

R'000	2020	2021	2022	2023
<b>Revenue</b>	<b>(444 957)</b>	<b>(456 838)</b>	<b>(479 223)</b>	<b>(502 705)</b>
Membership fees	(281 166)	(290 381)	(283 445)	(297 334)
Professional development	(121 939)	(100 703)	(123 809)	(130 300)
Tax practitioners	(9 308)	(10 714)	(4 575)	(4 712)
Seminars & Events	(7 760)	(4 729)	(9 461)	(9 745)
Interest income	(20 264)	(18 680)	(18 459)	(19 364)
Sponsorships	(4 895)	(5 922)	(8 375)	(8 785)
SEFCO	(2 830)	(2 972)	(3 255)	(3 414)
Rental Income	(3 350)	(2 669)	(1 479)	(1 523)
Advertising	(2 151)	(2 027)	(1 520)	(1 594)
Members discipline	(27 726)	(94)	-	-
Regional events and Other	(19 264)	(6 066)	(2 460)	(2 452)
<b>Employee Costs</b>	<b>189 172</b>	<b>187 974</b>	<b>197 184</b>	<b>206 846</b>
<b>Operating expenses</b>	<b>239 984</b>	<b>280 411</b>	<b>294 151</b>	<b>308 566</b>
Operations	132 494	124 400	130 495	136 890
Transformation	8 255	11 906	12 490	13 102
Standards	9 869	23 747	24 910	26 131
Training	6 274	9 332	9 789	10 269
Exams	30 738	53 024	55 622	58 348
AGA(SA)	744	726	761	799
AT(SA)	3 667	2 530	2 654	2 784
Education	34 290	36 830	38 634	40 527
Seminars	3 226	4 970	5 214	5 469
Tax Practitioners	623	680	714	749
Discipline	9 804	12 266	12 868	13 498
<b>Budgeted (Surplus) or Deficit</b>	<b>(15 801)</b>	<b>11 547</b>	<b>12 112</b>	<b>12 707</b>
Disciplinary reserve funding		(12 266)	(12 868)	(13 498)
<b>Budgeted Net (Surplus) or deficit</b>	<b>(15 801)</b>	<b>(719)</b>	<b>(756)</b>	<b>(791)</b>

### 1.3 The statement of Financial Position at 31 December

R'000	2020 PROJECTED	2021	2022	2023
<b>Assets</b>				
<b>Non-Current Assets</b>	<b>129 610</b>	<b>142 606</b>	<b>114 826</b>	<b>84 892</b>
Property, plant & equipment	83 323	75 195	58 962	42 479
Intellectual Property	2 585	2 585	2 585	2 585
Intangibles - Computer Software	43 702	64 826	53 279	39 828
<b>Current Assets</b>	<b>280 441</b>	<b>214 553</b>	<b>207 458</b>	<b>204 300</b>
Receivables	33 563	23 195	13 403	5 444
Cash and cash equivalents	246 877	191 358	194 055	198 856
<b>Total assets</b>	<b>410 050</b>	<b>357 158</b>	<b>322 284</b>	<b>289 192</b>
<b>Reserves and liabilities</b>				
Retained Earnings : Brought Forward	(170 150)	(179 289)	(165 261)	(150 545)
(Surplus) / Deficit : Current Year	(9 139)	14 028	14 716	16 094
<b>Retained earnings : year to date</b>	<b>(179 289)</b>	<b>(165 261)</b>	<b>(150 545)</b>	<b>(134 451)</b>
Retained Earnings - SEF : Brought Forward	(14 681)	(20 496)	(20 495)	(20 495)
(Surplus) / Deficit SEF : - Current Year	(5 814)	0	0	0
<b>Retained earnings - SEF : year to date</b>	<b>(20 496)</b>	<b>(20 495)</b>	<b>(20 495)</b>	<b>(20 494)</b>
Retained Earnings - TAX PRAC : Brought Forward	(14 444)	(23 111)	(25 593)	(28 196)
Tax Practitioners : - Current Year	(8 666)	(2 482)	(2 603)	(2 731)
<b>Retained earnings - TAX Prac: year to date</b>	<b>(23 111)</b>	<b>(25 593)</b>	<b>(28 196)</b>	<b>(30 927)</b>
<b>Total Reserves</b>	<b>(222 896)</b>	<b>(211 349)</b>	<b>(199 236)</b>	<b>(185 873)</b>
<b>Non-Current Liabilities</b>	<b>(84 289)</b>	<b>(73 645)</b>	<b>(61 883)</b>	<b>(48 813)</b>
<b>Current Liabilities</b>	<b>(102 866)</b>	<b>(72 165)</b>	<b>(61 164)</b>	<b>(54 506)</b>
Payables	(102 866)	(72 165)	(61 164)	(54 506)
<b>Total reserves &amp; liabilities</b>	<b>(410 050)</b>	<b>(357 158)</b>	<b>(322 284)</b>	<b>(289 192)</b>

## 1.4 Cashflow statement

R'000	2020 PROJECTED	2021	2022	2023
Net cash flows (used in)/from operations	(1 845)	(8 450)	10 628	12 343
Interest received	18 680	18 459	19 364	20 313
<b>Net cash flows from operating activities</b>	<b>16 835</b>	<b>10 009</b>	<b>29 992</b>	<b>32 656</b>
<b>Cash flows used in investing activities</b>				
Acquisition of property, plant and equipment	(6 164)	(9 557)	(1 690)	(1 690)
Acquisition of intangible assets	(13 506)	(36 755)	(4 850)	(3 750)
<b>Cash flows used in investing activities</b>	<b>(19 670)</b>	<b>(46 312)</b>	<b>(6 540)</b>	<b>(5 440)</b>
<b>Cash flows used in financing activities</b>				
Lease payments	(6 425)	(10 644)	(11 761)	(13 071)
Interest paid on lease liabilities	(10 071)	(8 573)	(8 993)	(9 344)
<b>Cash flows used in financing activities</b>	<b>(16 496)</b>	<b>(19 217)</b>	<b>(20 754)</b>	<b>(22 415)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(19 331)</b>	<b>(55 520)</b>	<b>2 697</b>	<b>4 801</b>
Cash and cash equivalents at beginning of the year	266 209	246 878	191 358	194 055
<b>Cash and cash equivalents at end of the year</b>	<b>246 878</b>	<b>191 358</b>	<b>194 055</b>	<b>198 856</b>

“SAICA must introduce programs to enable a cost-conscious culture and efficient operating model”

## 13 | Annexure A: Initiatives' description

Most of the new strategic initiatives support relevance and reputation:



### A. Member value strategic initiatives

#### Implementation of the Learning and Development Platform

A platform for the administration, documentation, tracking, reporting, automation and delivery of educational courses, training programs, or learning and development programs

#### Implementation of the SAICA Website Revamp Project

(A fully integrated Web Content Management platform that will allow SAICA to create, manage and deliver content across various channels)

#### Member reach and member profiling initiatives

Member profiling initiatives (Show case the impact our members have in the market)

Facilitation of the flagship events which promote the inspiring role of members in business and society (e.g. Leadership in the times of crisis, Women in leadership)

#### Employers engagement initiatives on the skills needs

Driving the engagement with significant employers to understand the changing requirements applicable to the profession to ensure that the members are staying relevant and effective

#### Pathway to relevance framework Implementation

Mapping all offerings to the Pathway to relevance framework and CPD policy to ensure maximum employability, relevance and success of the members in the profession

Creating a dedicated microsite which will facilitate the promotion and application of the Pathway to relevance framework and guide members through the new CPD policy requirements.

There was a general consensus that the competencies provided by SAICA to its members, staff and students are not sufficient to cope with the new rapidly changing technological advancements.

Thus, technology and IT should be included in the CA(SA) curriculum as technologies being developed, such as blockchain, might put the CA(SA) designation out of relevance.

Reviewing the CA(SA) curriculum for relevance within the CA2025 framework. A suggestion to include language and philosophical studies or having a 4-year degree.

It was suggested that SAICA should develop close collaboration with other institutes, explore new opportunities that will add more offerings and be age-group relevant in its offerings. This could be achieved by designing courses/programmes that are relevant in and post COVID-19, improving the pace of decision making, considering digital offerings (online education platform, YouTube Channel, etc.) and leveraging on point communication across all digital platforms (Social Media Platforms, LinkedIn, FB etc.)

## Stakeholders engagement initiatives

Effective engagement helps translate stakeholder needs into organisational goals and creates the basis of effective strategy execution. Stakeholder engagement plan of identifying key strategic stakeholders for SAICA's 2021-23 strategy



## B. Relevance and reputation strategic initiatives

### Integrated ethics plan execution

Promote professional ethics and awareness by including the ethics agenda points in the agendas for relevant member structures. Reviewing the internal (SAICA) reporting process in the context of ethics. Implementing "October ethics month" concept. Facilitating a comprehensive discussion and decision making around improvement of the professional reputation and ethics to ensure that the profession is seen as a responsible leader in business and society (including creation and implementation of the Integrated ethics plan)

### Initiatives to optimise disciplinary procedures

Formalising disciplinary matters communication. Monitor non-compliance with the CoPc. Enhancement of by-laws

### Implementation of the SDG initiatives

Working with Sustainable SA. A project to educate society about SDG goals and how they can get involved. FinBiz2030 involvement with Sustainable SA to promote SDGs and drive four SDG goals in South Africa:

- Quality education
- Decent work and economic growth
- Reducing inequality
- Climate action

### Audit reform initiatives

The decision was made to consolidate the audit reform agenda and possibly create an Audit reform workgroup within SAICA. While there is an understanding that audit profession needs to change in order to address trust restoration and reputational issues, SAICA's view is that the overall finance eco-system and capital markets' stability are called into question by the current situation.

### Unite4mzansi

Planned launch before end Q4 2020

We will also be launching the movement with all the accredited universities

### Courageous conversations

Courageous conversations on different topics that affect the profession

### Hosted on 10 June 2020

**Topic:** Ensuring that no prospective CA(SA) is left behind.

Speakers: Prof Wiseman Nkuhlu, Mr. Sizwe Nxasana and Mr. Ignatius Sehoole.

Number of members in attendance: Over 400 people

Second event hosted: 23 September 2020

**Topic:** What must change in the training environment of prospective CA(SA)s?

Speakers included:

Training office reviewer / Newly qualified CA / Training officers in this regard

### **Government assistance programmes**

Promoting knowledge sharing and the joint social responsibility and accountability concept for the members representing public sector, private sector and assurance.

### **Effective communication strategy execution initiatives**

This initiative is aimed at:

- Restoring trust
- Rebuilding reputation
- Pivot to act in service of public interest
- Position as: #aprofessionofnationalvalue and #trustleadership

This will be achieved through executing the following:

- Top management will drive trust and reputation recovery programme
- Build senior media relationships
- Use the voice of heroes and leaders as voice of authority
- Increase SAICA's crisis resilience
- Frame national conversations in the public interest
- Accountancy, governance standards and discipline ecosystems
- Enhance digital content capacity as public interface for the profession
- Enhance SAICA's public policy and engagement capacity
- Gain insights into views of regulators and civil society leaders
- Become responsive to a wider stakeholder ecosystem



## **C. Growth and transformation strategic initiatives**

### **Schools and tertiary institutions engagement initiatives**

Our initiatives include the following:

- A detailed school initiatives per the detailed plan
- Digitisation of Grades 10-12 accounting text books
- A detailed university plan - including both under- and post-graduate (including the HDIs)

### **Thuthuka programmes**

Through SAICA's Thuthuka Education Upliftment Fund (and it's Thuthuka Bursary) SAICA exemplifies the concept of value creation for our members and the country by focussing its efforts on projects that seek to:

- grow the pipeline of future accountants,
- support the transformation of the profession and the country, and
- provide decent and meaningful opportunities and services for disenfranchised South Africans.

Our initiatives include the following:

- Thuthuka student tracking system
- Virtual Thuthuka student support
- Common CTA for HDI's: Exploiting technology to improve the teaching and learning methodology





## D. Organisational sustainability strategic initiatives

### Initiatives to manage working capital and investments

#### Digital transformation initiatives

Ushintsho programme: Efficient and effective implementation of digital environment.

#### Employee value proposition (EVP) initiatives

- Financial Rewards
- Employment Benefits
- Career Development

#### Talent management initiatives

Talent mapping - 9 box grid:

High potential	Growth potential	At/lacking potential
Top talent	Top talent	Key skills master
Emerging talent	Strong contributor	Contributor
Derailing	Performance management	Exit planned

#### Organisational culture improvement initiatives

Outward mindset initiative: An outward mindset helps us to see the world as it is and not how we imagine it to be. The biggest lever for change is not a change in self-belief but a fundamental change in the way one sees and regards one's connections with and obligations to others.

#### Improvement of the BBBEE score initiatives

BBBEE initiatives for the following BBBEE pillars (at the divisional level):




- Management control
- Skills development
- Enterprise and supplier development
- Socio-economic development








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Empower human capital to enhance innovation and engage employees to create an engaged organisation

# 14 | Annexure B: High level scorecard

Proposed SAICA 2021 scorecard

BSC	STRATEGIC PILLARS	STRATEGIC OBJECTIVES	MEASURE	TARGET (3)
Member / stakeholder	 <b>A. Member Value</b>	<b>1</b> Deliver member value by promoting the premiership status and enhancing the member value proposition	Access Index Employability Index Leadership Index Inspirational Index Member Satisfaction Index Brand Admiration Index Competency Index	<div>1.00 – 1.99</div> <div>2.00 – 2.99</div> <div>3.00 – 3.99</div> <div>4.00 – 4.99</div> <div>5.00</div>
		<b>2</b> Promote common interest and professional competence of members and associates nationally and internationally		
	 <b>B. Relevance &amp; Reputation</b>	<b>3</b> Enhance trust, ethical conduct and credibility of the profession in the economy and society	Integrity IndexMarket Trust IndexSocial Involvement IndexSocial Contribution IndexAdvocacy IndexThought Leadership Index	<div>&lt;=45.00% Respondents are above neutral</div> <div>&gt;=45.01% and &lt;=60.00% Respondents are above neutral</div> <div>&gt;=60.01% and &lt;=85.00% Respondents are above neutral</div> <div>&gt;=85.01% and &lt;=95.00% Respondents are above neutral</div> <div>&gt;=95.01% Respondents are above neutral</div>
			Trust Measure (Restoration of trust) – Empirical measurement of trust	
			Annual Stakeholder survey score	
	 <b>C. Growth &amp; Transformation</b>	<b>4</b> Grow and transform the accountancy profession	Aggregated CA2025 Milestones achieved Breakdown of milestones at the Divisional Level	As per the plan at the divisional level
			Media exposure on thought leadership in Nation Building per article	3 = twice; 4 = thrice 5 = > 4 times
			Conversion Rate of the Eligible Candidates	3 = CA 75% -85% conversion rate 4 = CA 85,01 – 93% conversion rate 5 = More than 93% conversion rate

BSC	STRATEGIC PILLAR	STRATEGIC OBJECTIVES	MEASURE	TARGET (3)
Member / stakeholder	 <b>C. Growth &amp; Transformation</b>	  Grow and transform the accountancy profession	Throughput pass percentage of Thuthuka first time candidates and / or ITC and APC repeat programme pass rates	3 = Thuthuka candidates pass rate are the same as the national averages 4 = Thuthuka candidates pass rate exceed the national average pass rate less than 10%. 5 = Thuthuka candidates pass rate exceed the national average pass rate by 10% or more
Financial	 <b>D. Organisational Sustainability</b>	 Achieve financial sustainability	Surplus for the year Net cash from operations	Surplus: Budget Net cash: Budget
Internal processes		  Digitise operational processes to work quicker and qualitatively better and accelerate strategic benefits.	ERM maturity level	ERM maturity level 4
			Stage 2 Ushintsho programme – Member Value benefits See b/down	3 = 70% - 80% of benefits realised 4 = >80% - 90% of benefits realised 5 = >90% - 100% of benefits realised
Organisational learning/ people		Stage 2 Ushintsho programme – Business value benefits See b/down	3 = 70% - 80% of benefits realised 4 = >80% - 90% of benefits realised 5 = >90% - 100% of benefits realised	
		 Empower human capital to enhance innovation and engage employees to create an engaged organisation	Staff Engagement survey	3 = Staff engagement survey: 5%-10% points improvement from 2020; 4 = 11% -15%; 5 = >15%
	 Transform the organisation	BBBEE level	3 = BBBEE: Level 4; 4 = Level 3; 5 = Level 2	

## 15 | Annexure C: SAICA controlled entities

### SAICA strategy and the SAICA controlled entities

As enshrined in the SAICA (the Institute) constitution, the Institute's principal purpose and objective is to enhance the relevance, values, competence and influence of Members and Associates in South Africa (SA) and abroad, and to contribute to SA's economic and social development.

#### According to the Constitution, this purpose must be fulfilled by projects that:

- a. Act in the public interest and safeguard the values of the Profession;
- b. Promote the common interests of Members and Associates nationally and internationally;
- c. Support and encourage the advancement of skills and knowledge and ensure Members have the appropriate competencies;
- d. Contribute to economic and social advancement of the Republic; and
- e. Grow and transform the Profession.

Thus, it was deemed appropriate by previous SAICA Boards to set up vehicles through which members can make meaningful contributions. As SAICA is an NPO per the Income Tax Act and cannot receive more than 15% income from sources other than membership fees - this necessitated the creation of separate entities. Moreover, SAICA adopted King IV which is aligned to these principles and reinforces the Institutes' motto to DEVELOP, INFLUENCE AND LEAD.

Below are further details on the SAICA Controlled entities:

#### The Thuthuka Education Upliftment Fund

##### About the entity

The Thuthuka Education Upliftment Fund (TEUF) and Thuthuka Bursary established in 2002 and 2005 respectively, ensures that the economy has a consistent flow of adequately and suitably qualified accounting professionals who are representative of the country's demographics, by investing in the pipeline of African and Coloured students, to sustain the future of the chartered accountancy profession through skills development. All projects that form part of SAICA's Transformation & Growth strategic pillar are externally funded and overseen by TEUF. The Thuthuka model contributes to the improved success of students, this model has been used by other programmes such as ISFAP. The Thuthuka Bursary model is potentially the solution to the skills shortage challenge in South Africa. SAICA provides secretariat and administrative services to TEUF.

##### Strategic fit

Contributes to the Growth and Transformation, Member Value as well as Relevance & Reputation strategic pillars.

##### Risks

No major risks exist.

## The Hope Factory and SAICA Enterprise Development

### About the entities

The Hope Factory NPC is a Public Benefit Organisation formalised in 2004, and focusses on developing business skills, starting new businesses and impacting communities by mobilising economic activity for Socio-Economic impact. SAICA ED Pty (LTD), a wholly owned subsidiary of The Hope Factory NPC, designs, manages and implements Enterprise and Supplier Development (ESD) programmes with the main focus on developing SMMEs under the B-BBEE codes of Good Practice. SAICA ED was formed in 2018 as a result of an internal audit performed by PWC which advised SAICA that a separate entity be formed to house the tax attracting ESD activities. The reason being that the majority of the income into The Hope Factory at the time was through Enterprise and Supplier Development income. Members may form lasting business relations with the entities that are incubated and assisted through these platforms.

### Strategic fit

Contributes to the Member Value, Relevance and Reputation as well as Growth & Transformation strategic pillars.

### Risks

No significant risks exist. However, SAICA has signed a subordination agreement and provides temporary financial assistance in difficult times.

## Wiseman Nkhulu Trust

The Wiseman Nkhulu Trust, is not an entity under SAICA's control. Prof Wiseman Nkhulu wrote his first book 'A Life of Purpose' and wanted to donate proceeds to the subvention of African Academics. The Trust was formed in 2013 to facilitate the distribution of the funds to African Academics. SAICA provides secretariat and administrative services to the Trust. The Trust runs and partners with the profession on key initiatives to uplift South Africa.

## Ikusasa Student Financial Aid Programme (ISFAP)

Although SAICA played an influential in establishing ISFAP, SAICA has no control over ISFAP. ISFAP seeks to respond to the lack of funding for the missing middle (household incomes greater than R350k pa but less than R600K) as illustrated by the #feesmustfall student campaign. NSFAS only funds students from household with incomes below R350K per annum. Cabinet approved the running of a pilot in 2017. ISFAP provides the same wrap around support as Thuthuka and is built on the Thuthuka model.

ISFAP was initially incorporated into TEUF, but reported separately to the TEUF Board. ISFAP founding partners include amongst others, SAICA, Banking Association of South Africa, First Rand Foundation, Association for Savings and Investment of South Africa and Business Leadership South Africa. ISFAP is not only focused on funding accountants but other critical skills careers as well. ISFAP has since, registered its own PBO status, Income Tax and VAT. ISFAP, therefore employs its own staff members. ISFAP has a Service Level Agreement with SAICA.

## 16 | Sources

### Sources of the external environmental analysis

#### Pestel analysis

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- <https://www.weforum.org/agenda/2020/03/imf-economic-lessons-from-china-fight-against-coronavirus/>
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- <https://businesstech.co.za/news/energy/370700/expect-big-electricity-price-hikes-in-south-africa/>
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- <https://www.miningweekly.com/article/regulatory-uncertainty-economic-issues-limiting-sas-potential-to-benefit-from-mining-investment-2019-12-06>
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#### Global trends

- EMZ Analysis & Research, April 2020;
- A global view of how consumer behaviour is changing amid COVID-19, 2020,
- McKinsey Global Institute; Managing COVID-19: How the pandemic disrupts global value chains; World Economic Forum (2020);
- Covid & Economic Market Outlook Report, 2020,
- Sygnia Asset Management

#### South African trends

EMZ analysis & research; experimental statistics by stats-sa aimed at providing an early indicator of the business impact resulting from covid-19. 707 businesses operating within various industries in sa that are registered for (vat) participated



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