

THE DIFFERENCE MAKERS

SAICA ANNUAL INTEGRATED
REPORT 2020



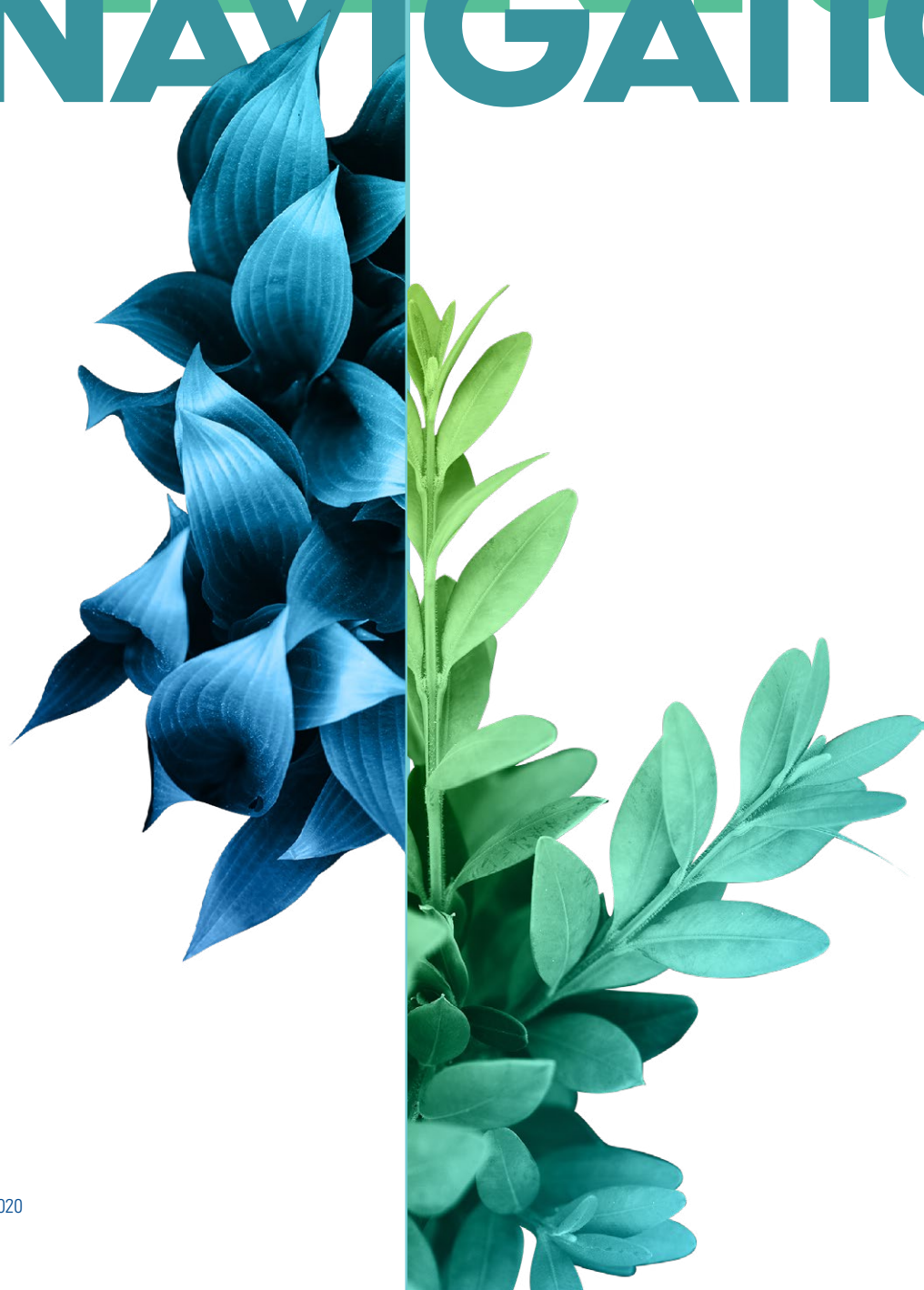
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SAICA
THE SOUTH AFRICAN INSTITUTE
OF CHARTERED ACCOUNTANTS

develop.influence.lead.

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ABOUT THIS REPORT



The following icons are used throughout the report to link SAICA's strategic pillars, material matters and capitals:

STRATEGIC PILLARS 2020



MEMBER VALUE



RELEVANCE AND REPUTATION



GROWTH AND TRANSFORMATION



INTERNAL EFFICIENCIES*

MATERIAL MATTERS



COVID-19 and its impact on the business; our response and recovery process



Remaining relevant, ethical and responsive under difficult economic and regulatory conditions



Restoring trust in the profession through advancement of ethics, accountability and discipline



Delivering excellence to advance professional competences



Enhancing stakeholder impact through collaboration and transformation in the service of public interest



Leveraging sound governance to achieve operational efficiency, sustainability and resilience

*In the 2021 Strategy this pillar was renamed Organisational Sustainability

CAPITALS



INTELLECTUAL
CAPITAL



FINANCIAL
CAPITAL



SOCIAL AND
RELATIONSHIP
CAPITAL



HUMAN
CAPITAL



MANUFACTURED
CAPITAL

THIS INTEGRATED REPORT HAS BEEN PREPARED TO MEET THE INFORMATION NEEDS OF SAICA MEMBERS AND ITS STAKEHOLDERS

IT PROVIDES AN OVERVIEW OF SAICA'S STRUCTURE, ACTIVITIES, PERFORMANCE AND OUTLOOK FOR THE YEAR ENDED 31 DECEMBER 2020

BASIS OF PREPARATION

The integrated report is prepared in accordance with the International Integrated Reporting <IR> Framework of January 2021 (<IR> Framework) and considers the principles of the King Report™ on Governance for South Africa 2016 (King IV™), the International Financial Reporting Standards (IFRS) and the Companies Act (2008) as amended. In this report, 'short term' refers to the coming financial year, 'medium term' is the period to 2023, and 'long term' is the period beyond 2023.

The information in the report aims to provide stakeholders with insight into SAICA's material matters – those matters that have the most potential to affect SAICA's ability to

create value for its stakeholders. The information included in this report was determined based on:

- A review of SAICA's external environment (see 'Operating context' on page 24)
- An assessment of the critical issues discussed at SAICA Board, Board sub-committee and executive management meetings throughout the year (see 'Board meetings' on page 96 and 'Committee reports' on page 99)
- An assessment of risks and opportunities (see 'Strategic risk register and combined assurance plan' on page 46)
- A consideration of material matters (see pages 26–29)

REPORT BOUNDARY

The report includes information regarding the SAICA Group (herein after referred to as the Institute or SAICA), which at 31 December 2020 comprised SAICA, the Thuthuka Education Upliftment Fund (TEUF), The Hope Factory Group (THF) (comprises The Hope Factory and its 100%-owned subsidiary SAICA Enterprise Development) and the dormant company Association of Accounting Technicians (AT(SA)) which is in the process of being wound up. The reporting boundary includes those risks, opportunities and outcomes associated with entities or key stakeholders beyond the financial reporting structure that have a significant and direct effect on the ability of the SAICA Group to create value.

There were no significant changes to SAICA and its activities during the year that affect comparability with the 2019 report and no material restatements of information provided in previous reports.

ASSURANCE PROCESS

Our integrated reporting process, as well as the content of this report, follows the principles and requirements of the <IR> Framework and King IV™. Management prepares and validates the report, ensuring that it provides a balanced

and reasonable view of SAICA, its performance for the year and outlook.

The report has been reviewed and approved by the Board, assisted by the Audit and Risk Committee. Financial information is extracted from the audited financial statements, which are available on our website. Limited assurance is expressed over the actual performance information used to evaluate performance over the strategic objectives. The assurance statements are available on our website www.saica.co.za and provide a detailed overview of the assurance provided. The alignment of the integrated report was independently reviewed against the requirements of the international <IR> framework by Mazars. The assurance report can be viewed by accessing this link https://www.saica.co.za/Portals/0/documents/2021/Limited_Assurance_Report_Performance_Scorecard_SAICA_2020_Final_Report.pdf.

STATEMENT BY THE BOARD

The Board acknowledges its responsibility to ensure the integrity of this report. The Board is satisfied that the information contained in this report is presented in accordance with the <IR> Framework. This integrated report was approved by the Board on 15 April 2021.

2020 SNAPSHOT



STRONG SUPPORT PROVIDED TO MEMBERS DURING COVID-19

through thought leadership, advocacy and the Leadership in a Time of Crisis webinar series, 42,953 delegates attended



More than 297 SEMINARS & EVENTS

were held during the year with a **third** of the face-to-face seminars and **half** of the webcasts provided **FREE OF CHARGE** TO MEMBERS



SAICA received R103 MILLION WORTH OF MEDIA EXPOSURE VALUE with positive coverage in 1 633 MEDIA CHANNELS AND PLATFORMS



ACCOUNTANCY SA CIRCULATION INCREASED TO 56 869

in 2020 from 54 886 in 2019 (circulation audited by the Audit Bureau of Circulations of South Africa)



THE SAICA BUSINESS EMERGENCY ROOM,

offered businesses support through access to a panel of business advisory experts. **14 MEMBERS VOLUNTEERED TO ASSIST 17 BUSINESSES IN DISTRESS WITH FREE ADVISORY SERVICES**



298 MEMBERS VOLUNTEERED TO BE PART OF

PHILA SIZWE

a collaboration with ABASA, FNB and Fetola to help small business customers with pro-bono professional services



ETHICS CAMPAIGN

launched in October 2020 as part of the Integrated Ethics Plan project



THE CA(SA) DESIGNATION

was rated top for **BRAND ADMIRATION (68%) AND TRUST LEADERSHIP (84%)**

in an independent survey, the 2020 AskAfrica survey of business decision-makers



2 COURAGEOUS CONVERSATIONS WERE FACILITATED

to promote leadership discussions on South Africa's challenges



THE 3RD ANNUAL CA(SA) OF THE FUTURE CONFERENCE

was attended by **1 519 DELEGATES** and received an excellent rating



SAICA by-laws amended to streamline the **DISCIPLINARY PROCESS**, and

143

DISCIPLINARY COMPLAINTS WERE CONCLUDED



1 098 PREVIOUSLY DISADVANTAGED

African and Coloured undergraduate and postgraduate students were funded by **THUTHUKA** towards becoming CAs(SA)

SAICA engaged with major donors to ensure that all Thuthuka-funded students have

ACCESS TO DIGITAL DEVICES

to be able to continue studies remotely during lockdown and a number of online support interventions were run



A MEMORANDUM OF UNDERSTANDING WITH USAf

(UNIVERSITIES SOUTH AFRICA) was signed to look into university structural changes required to develop the competences for the future world of work



THE 2020 ITC EXAM

was moved from June 2020 to November 2020

THE APC

was moved from November 2020 to December 2020

The ITC and APC were successfully held with all social-distancing and other COVID-19-related protocols in place



VARIOUS ITC AND APC SUPPORT PROGRAMMES

run including the launch of the **4TH TALENT APC ONLINE SUPPORT ACADEMY PROGRAMME** to support APC candidates in developing certain key competences



More than R3 BILLION RAISED IN INDEPENDENT FUNDING for Nation Building activities since 2002



ISFAP support for the **MISSING MIDDLE** continued for

1 605 ACTIVE STUDENTS IN 2020

219 STUDENTS SUPPORTED IN THE CA(SA) STREAM



FINBIZ2030 LAUNCHED

to encourage young professionals to get involved in Sustainable Development Goals (SDGs) work and drive

FOUR SDGs

identified as a starting point for the South African context

PUBLISHED SAICA'S THIRD UNITED NATIONS SDGs REPORT

showcasing SAICA's and the members work to **PROMOTE STRONGER AND MORE SUSTAINABLE BUSINESSES, COMMUNITIES AND ECONOMIES**



EFFECTIVE PROTOCOLS IMPLEMENTED SAFETY & WELLBEING

of SAICA staff, members and associates



EMPLOYEE ENGAGEMENT SCORE

improved from 49% in 2019 to

75% IN 2020



FINANCIAL SUSTAINABILITY improved with the organisation's reserves increasing from R260,2 million in 2019 to **R321 MILLION** in 2020



PHASE 2 OF USHINTSHO

(SAICA's digital transformation project) commenced



SYNCRONISATION CHALLENGES FROM LEGACY SYSTEM

impacting query resolution



SAICA'S STRATEGY 2021-2023

finalised and approved by the Board

NOTEWORTHY ASPECTS OF 2020

SAICA overall performance score
against strategic objectives

2020

3,68

2019

3,60

KEY METRICS

	2020	2019
Member Value PHI ¹ score	75,77%	79,19%
Relevance and Reputation PHI score	69,86%	70,54%
B-BBEE level	6	7
Employee engagement score ²	75%	49%

1 The Professional Health Index (PHI) is the measure by which SAICA assesses the extent to which it has achieved its strategic intent 'to contribute to sustainable economies through developing responsible and ethical leaders'.

2 The employee engagement score is calculated by adding the 'agree' and 'strongly agree' ratings.

CHALLENGES

B-BBEE score – Internal transformation is an ongoing focus for the organisation



Implementing COVID-19 protocols and shifting to remote working while delivering increased value for members and other stakeholders, also impacting call centre efficiency



The PHI scores for both Member Value and Relevance and Reputation have decreased from the previous year



Cancellation of some sponsorships and face-to-face events as well as some membership fee concessions affected revenue



Synchronisation from the legacy system to the new Customer Relationship Management (CRM)



HOLISTIC PICTURE OF **THE STATE THAT SAICA IS IN**

SAICA continues to make gains in restoring confidence in the profession while advancing with growth and transformation initiatives and improving the relevance of the profession. We aim to restore SAICA's brand reputation and the credibility of the profession after damaging past events, and to maintain its reputation going forward. The growth and transformation of the profession is a strategic imperative and a core pillar of the strategy. The COVID-19 pandemic highlighted the need for introspection around organisational sustainability. As the need for various changes become more apparent, there is an internal drive to become faster, more efficient, and agile to deliver member value, achieve relevance, serve public interest and improve our positive impact on society.





CHAIRMAN'S REVIEW

'TIMES LIKE THESE CALL FOR LEADERSHIP AND THE LEADERS THAT TAKE THE TIME TO LOOK A LITTLE FURTHER AHEAD THAN THOSE AROUND THEM WILL BE BEST POSITIONED AS THE SITUATION UNFOLDS'

– MS TSAKANI MALULEKE

The significant uncertainty created by the COVID-19 pandemic and its impact on the global and local economy created uniquely challenging conditions that left no-one untouched. The South African economy was struggling even before the pandemic arrived and the impact of the lockdowns and the virus disproportionately impacted the most vulnerable members of society. This has highlighted some of the country's most serious challenges, including economic inequality, racism and gender-based violence. With new strains emerging and uncertainty around the rollout of vaccines, the way the pandemic plays out from here is extremely uncertain.

What is clear is that recovery from South Africa's current crisis of slow economic growth and severe social challenges, which have been exacerbated by COVID-19, is likely to be long and arduous.

Times like these call for leadership and the leaders that take the time to look a little further ahead than those around them will be best positioned as the situation unfolds. Any recovery will only be possible with significant new investment that will require well-functioning capital markets and a trusted finance ecosystem anchored by reliable and trusted accountancy professionals. SAICA's stated purpose is to develop responsible leaders for a changing future, which is particularly apt in the current turbulent and uncertain times.

The accounting profession has an unprecedented opportunity to lead ethically and responsibly – to be the 'Difference Makers' that can get business and economies

moving again, while bringing their considerable skills to addressing the broader social and environmental challenges we face.

This is why SAICA's efforts to re-establish the relevance and reputation of the profession, damaged by the unethical behaviour of a few, is such a priority for us.

DIFFERENCE MAKERS

The Difference Makers is an organising concept developed by the Brand Directors of all the Institutes that form part of Chartered Accountants Worldwide organisation to position CA designation holders as reliable, trusted voices and catalysts for change to help get businesses and economies moving again. It is a creative concept showcasing how the institutes' staff and members are making a difference to organisations, communities and economies around the world within which they operate.

The promotional material to create this global CA Brand positioning in the marketplace will be launched during the second quarter of 2021.

SUPPORTING ETHICAL BEHAVIOUR AND IMPROVED ACCOUNTABILITY

Many South Africans are frustrated with the lack of accountability of the people who have damaged our country. SAICA members and the public are similarly frustrated with the slow progress in disciplining the accounting professionals implicated in unethical behaviour. We are committed to enforcing accountability in the

profession in a way that is fair to all parties and that meets all legal requirements and the rules of SAICA's constitution. We made a number of changes to the by-laws during the year to streamline the disciplinary process and have made some good progress in ensuring members are held to account. Further changes are being made to clarify our position on the behaviour we as a profession find unacceptable. While this focus on ensuring accountability is critical to ensure ethical behaviour and the profession's reputation, it is also important that we make space to acknowledge and celebrate the exemplary conduct and excellent contribution the vast majority of our members make.

Our ongoing emphasis on ensuring that ethics are embedded into the profession is an important part of ensuring ethical and responsible leadership – a number of initiatives are underway in this regard. There is an ongoing organisational culture change project within the Institute and an ethics programme currently underway to institutionalise internal ethics. The outward-focused Integrated Ethics Plan aims to entrench ethical behaviour at pre-qualifying, trainee and post-qualification levels.

At the same time, the CA2025 initiative and Pathways to Relevance project are ensuring that, in the face of accelerating technological change, accountants are equipped with the soft and technical skills they will need to remain relevant into the future.

CREATING VALUE FOR OUR MEMBERS

As a member organisation, if member value is not a constant priority, SAICA will cease to exist. SAICA's thought leadership and advocacy at the start of the crisis helped to ensure that accounting professionals could continue to operate in the rapidly changing and highly uncertain environment, demonstrating our essential role in making sure the financial system continues to function effectively. It is undeniable that many of our members have been severely affected by the ongoing weak economic conditions and making sure that we continue to create value for our members that is relevant to their immediate needs remains top of mind.

Growth and transformation are essential to ensure the future of both the country and SAICA itself. Our Nation Building activities support a wide range of programmes that provide hope and opportunities for young people, develop their skills, support small businesses and transform the industry. SAICA's internal transformation initiatives include workstreams that are driving diversity as well as cultural, skills and digital transformation that will anchor the sustainability and continued relevance of the Institute.

SAICA'S STRATEGIC PRIORITIES 2021–2023

We conducted a thorough strategic review in the second half of the year to reposition and respond to the changes and challenges the profession currently faces. The review concluded that the four key strategic pillars

of our existing strategy remain relevant, with some refinements that include changing the name of the fourth pillar from 'Internal Efficiencies' to 'Organisational Sustainability' to better reflect the thrust of the underlying strategic objectives. The full process and new strategy are discussed in detail in the section 'Our 2021–2023 strategy' on page 54.

We also refined our strategic intent – to contribute to sustainable economies through developing responsible and ethical leaders. I believe this accurately states the significant role that SAICA can and must play in the country's recovery.

While the challenges posed by COVID-19 were significant, we still managed to make progress against the strategic goals we set for ourselves at the start of the year. More detail on our performance against the 2020 strategy is shown in the section 'Performance against 2020 strategic objectives' on page 80.

EFFECTIVE LEADERSHIP

The Board provided oversight and was available to support executive management as they navigated the crisis. The diverse skills and experience available to the Board have proven invaluable in our discussions, bringing new perspectives and insights that help us to benchmark and learn from best practices in other areas and industries. The Board's other priorities during the year were overseeing management's initiatives to address reputation management with an emphasis on communication and marketing, improve the efficacy of the disciplinary process by amending the SAICA by-laws, and ensure the implementation of Phase II of the Governance Review.

APPRECIATION AND CLOSE

2020 was a uniquely challenging year and on behalf of the Board I thank SAICA's management and staff for their courage, tenacity and considerable contributions through the crisis in their continuing efforts to support our members and other stakeholders. I would also like to thank our members for their continued support and input and reiterate that we remain committed to protecting and representing their interests.

COVID-19 has forced business to change and reinforced emerging trends that will alter the way we operate in the future. But whatever the future holds, ethical and responsible leadership will remain essential and sought-after attributes. SAICA is committed to delivering a value proposition that supports and re-establishes the accounting profession as a critical and credible player in rebuilding the CA profession's reputation for a sustainable future.

Tsakani Maluleke

SAICA Board Chairman

WHO WE ARE

OUR STRATEGIC INTENT

To contribute to sustainable economies through developing responsible and ethical leaders

OBJECTIVES

Support the development of the South African economy and society

Promote the interests of SAICA members and associates

SAICA is a voluntary, not-for-profit member organisation that operates in terms of its constitution. Our head office is in Johannesburg with offices in Bloemfontein, Cape Town and Durban situated close to the business areas in which our members operate. Our primary sources of revenue are membership fees, fees from seminars and events, as well as donor funding. SAICA is an active member of a number of international forums as part of our advocacy role and to participate in knowledge-sharing and global standard-setting.

OUR STRATEGIC PILLARS 2020



MEMBER VALUE

Delivering better member value and offerings that will see our members in high demand in the marketplace



RELEVANCE AND REPUTATION

Continued relevance of the accountancy profession and the creation of an ethical culture in the service of public interest



GROWTH AND TRANSFORMATION

Growth and transformation of the accountancy profession in terms of race and gender and in line with the overarching national agenda



INTERNAL EFFICIENCIES

The enhancement of internal efficiencies and effectiveness so that the Institute can better service its stakeholders

SAICA is the custodian of three complementary accounting designations, CA(SA), AGA(SA) and AT(SA), and has 51 317 active members and associates around the world.

Recognition agreements with 14 peer accounting institutes worldwide improve members' professional mobility and international business networks.



CA(SA)

Chartered Accountants

A leadership designation for accountants at the forefront of business and the broader economy

2020
47 348
MEMBERS

2019
46 072



AGA(SA)

Associate General Accountants

A professional accounting designation for accountants enhancing value and driving operational performance in organisations

2020
3 639
ASSOCIATES

2019
3 429



AT(SA)

Accounting Technicians

A practice-based, work-ready accounting, finance and business qualification and professional membership for entry-level to mid-tier accountants

2020
330
ASSOCIATES

2019
303

OUR MEMBERS AND ASSOCIATES

SAICA's three complementary accounting designations respond to the country's financial market needs and align with our intent to be represented in the full professional accounting education and training landscape.

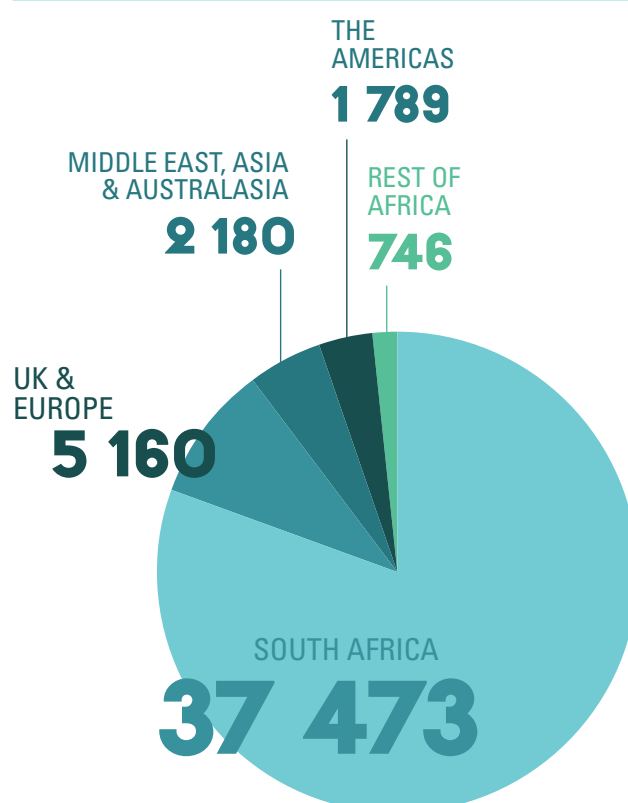
VALUE PROPOSITION

- A premium/market-leading designation
- Excellence in competence
- Continuous professional development
- Technical and non-technical training
- Professional support
- International (professional) mobility

OUR VALUES

- Member centricity
- Integrity
- Accountability
- Professional behaviour
- Respect
- Transparency

CA(SA) MEMBERS











SAICA STRATEGY

FOR 2020

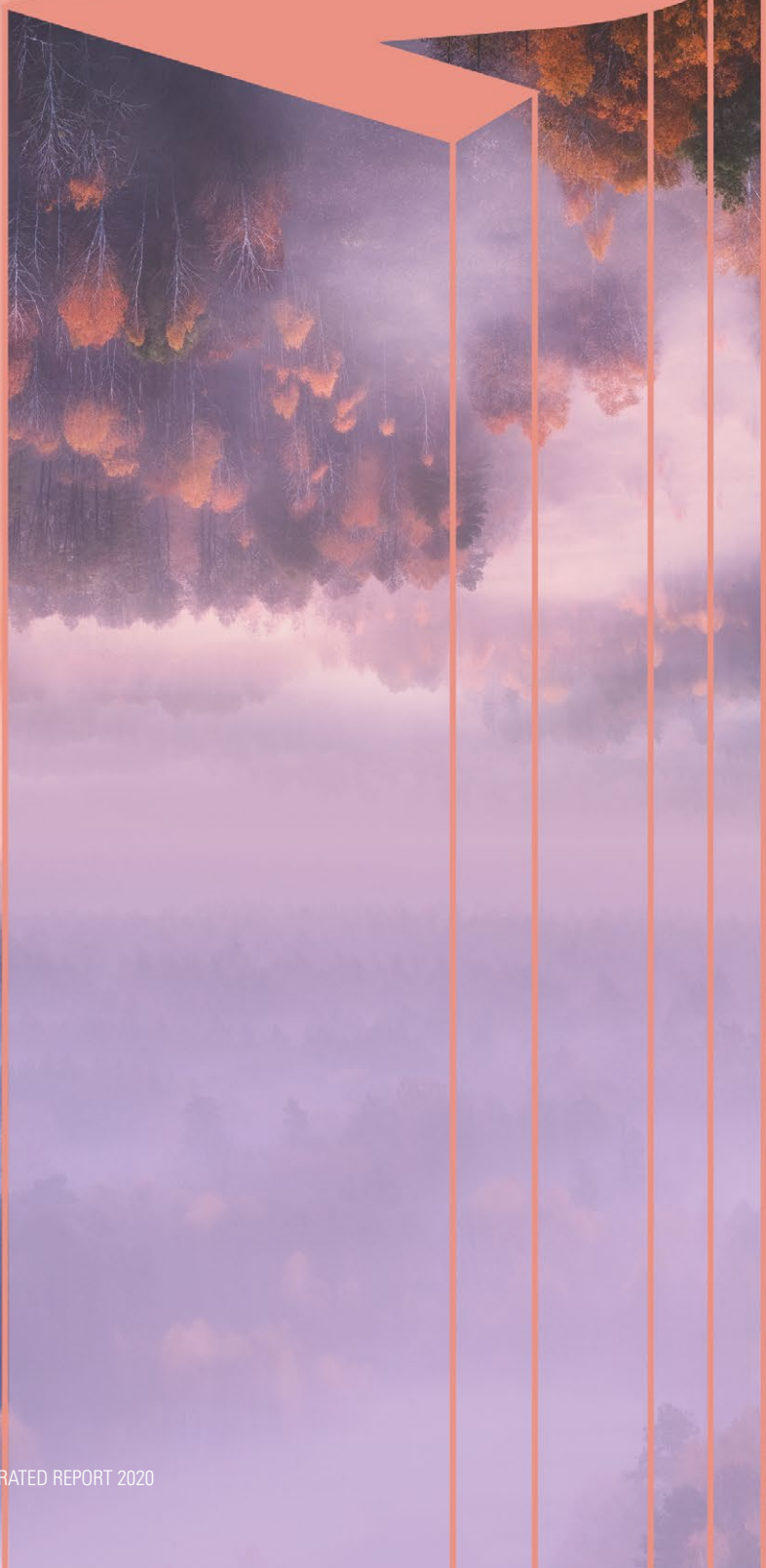
The current crisis occasioned by slow economic growth and exacerbated by the COVID-19 pandemic (**material matter 1**) required SAICA to assess how material matters have influenced the 2020 strategy and its execution. The crisis has accelerated operational changes such as the use of digital platforms to reach stakeholders and allowing employees to work remotely (**material matter 4**). The 2020 strategy has highlighted the importance for the profession to be a **trusted partner** in making a difference by contributing to building a sustainable economy in South Africa (**material matters 2, 3 and 5**). It is thus believed that the 2020 SAICA strategic pillars (**member value, relevance and reputation as well as growth and transformation**) are still relevant and adequate to achieve SAICA's strategic intent. However, SAICA changed the 2020 **internal efficiencies** strategic

pillar to **organisational sustainability** in the 2021–2023 strategy. As the need for various changes becomes more apparent, there has been an internal drive for SAICA to become faster and agile in digitising operational processes, empowering human capital to enhance innovation, transforming the organisation and achieving financial sustainability (**material matters 1 and 6**).

The profession's first constitutional objective is to enhance the relevance, values, competence and influence of our members and associates and to make a positive contribution to the South African economy and society. The 2021–2023 strategy recognises the critical importance of ensuring that the Institute and its members continue to act in the service of the public interest.

2020 STRATEGIC INTENT	2021–2023 STRATEGIC INTENT
To contribute to sustainable economies through developing responsible leaders	To contribute to sustainable economies through developing responsible and ethical leaders
2020 STRATEGIC PILLARS:	2021–2023 STRATEGIC PILLARS:
 MEMBER VALUE: Delivering better member value and offerings that will see our members in high demand in the marketplace	 MEMBER VALUE: Delivering better member value and offerings that will see our members in high demand in the marketplace
 RELEVANCE AND REPUTATION: Continued relevance of the accountancy profession and the creation of an ethical culture in the service of public interest	 RELEVANCE AND REPUTATION: Continued relevance of the accountancy profession and the creation of an ethical culture within the accountancy profession in the service of public interest
 GROWTH AND TRANSFORMATION: Growth and transformation of the accountancy profession in terms of race and gender and in line with the overarching national agenda	 GROWTH AND TRANSFORMATION: Growth and transformation of the accountancy profession in terms of race and gender and in line with the overarching national agenda
 INTERNAL EFFICIENCIES: The enhancement of internal efficiencies and effectiveness so that the Institute can better service its stakeholders	 ORGANISATIONAL SUSTAINABILITY: The COVID-19 pandemic highlighted the need for introspection on organisational sustainability, challenging SAICA to become faster and more agile to deliver member value, achieve relevance and impact on society. This requires that we reduce existing divisional silos, embark on a cultural transformation journey and review the organisation's structure to ensure it is still fit for purpose





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OUR CONTEXT

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CEO REPORT



'IF EVER THERE WAS A COMPELLING NEED FOR RESPONSIBLE LEADERSHIP IN SOUTH AFRICA, IT IS NOW. WE NEED TO GROW OUR ECONOMY TO MEET THE NEEDS OF OUR PEOPLE. SUCH GROWTH, HOWEVER, SHOULD NOT BE AT THE EXPENSE OF FUTURE GENERATIONS'

– MR SITHEMBISO FREEMAN NOMVALO



'IN THE FACE OF COVID-19, OUR EMPLOYEES DEMONSTRATED THEIR AGILITY, SACRIFICE AND COMMITMENT TO SERVING MEMBERS AND THE INSTITUTE UNDER EXTREMELY DIFFICULT CIRCUMSTANCES AND I AM EXTREMELY GRATEFUL TO THEM FOR THEIR HARD WORK'

– MR SITHEMBISO FREEMAN NOMVALO

SAICA started 2020 with a new Board and revised governance framework in place, and a clear plan to create value for members and rebuild the reputation of SAICA and the accounting profession. The arrival of the COVID-19 pandemic changed everything. Our immediate concern was to secure the safety of our employees, members and visitors to the SAICA offices. Ten days before the country went into lockdown, SAICA shifted to remote working and refocused our attention to ensuring that we could continue to deliver on our strategic priorities in the severely changed context. Fortunately SAICA's disaster recovery plan, which we finalised towards the end of 2019, was still fresh in our minds and implementing it helped the Institute to continue operating effectively. We implemented the

necessary protocols to keep employees safe and in line with the relevant laws, and these have proven to be very effective.

In the face of COVID-19, our employees demonstrated their agility, sacrifice and commitment to serving members and the Institute under extremely difficult circumstances and I am extremely grateful to them for their hard work.

I am deeply saddened to report that during the year, one of our long term employees died from COVID-19. Edgar Jansen, a member administrator for the Southern Region, was part of the SAICA family for 22 years. We miss him deeply and our thoughts and prayers remain with Edgar's family, friends and colleagues.

SUPPORTING MEMBERS AND THE FINANCE ECOSYSTEM

Our members involved in corporate reporting and auditing faced enormous challenges at the start of the crisis in trying to apply accounting standards in a state of extreme uncertainty. We engaged with the IRBA, the JSE, government and other stakeholders, and the resulting technical guidance we were able to provide at extremely short notice was of tremendous benefit to members and received global recognition, with IFAC referencing SAICA's guides.

The various SAICA committees were instrumental in this process. These committees comprise members who give of their time freely to produce world-class work and I thank them for their exceptional contribution.

Member engagement coordinated the Leadership in a Time of Crisis webinar series, pulling resources from across SAICA to support members on a range of relevant topics. Through the month of April, the team averaged a new webinar every second day and ended with 29 webinars in all that were viewed by 42 953 people.

All planned engagements, events and seminars had to switch to digital platforms, which created opportunities to rethink the way we engage with members going forward more cost effectively. The savings on travel costs and improved efficiencies were significant and we found that both the uptake and depth of engagement with members improved markedly.

SAICA's Eastern Region launched the Business Emergency Room, an innovative initiative that pulled in a range of skills from our members to provide critical care for businesses in distress.

Although the Ushintsho project remains the key technology enhancement focus of SAICA in 2021 and beyond, the organisation is further looking at ways to leverage technology to enhance the digitisation of the organisation to further enhance member value as well as improve internal efficiencies given the new way of work as a result of the impact of COVID-19.

The key initiative in 2021 is to develop a new learning management system to concentrate the sourcing and delivery of ongoing learning in a single digital hub for the benefit of members and associates.

PROGRESSING OUR STRATEGIC FOCUS AREAS

Despite the forced change in priorities, we were still able to make good progress on many of our strategic objectives as indicated in the 'Performance against 2020 strategic objectives' section on page 80. I am pleased to say that the changes we made to refine the disciplinary process that became effective in June 2020 are already resulting in faster progress and increased transparency, and we were able to conclude one high-profile case before the end of the year. We continue to engage with stakeholders in the media to clarify the complexities of the disciplinary process and to make sure that the significant positive contribution the vast majority of our members are making also receives appropriate coverage.

While we started to see the benefits of the first phase of the Ushintsho project, the start of Phase 2 was unfortunately delayed. The project remains an important enabler of SAICA's technological transformation that will support member value going forward. We continue to

make good progress in our member profiling project to deepen our understanding of members and their needs so that we can find new ways to meet these.

Several long-standing senior vacancies have been filled with our new CFO and an Executive Director for Members and Global Alliances now in place and a new Chief Information Officer joining during the year. These additions have added energy to the executive team and helped to distribute the workload.

SAICA was part of the FinBiz2030 event in February to unite and mobilise the finance and business community to achieve the UN Sustainable Development Goals. The event was attended by approximately 5 000 people worldwide. The SDGs are an important catalyst of the change needed to address the numerous social and environmental challenges that we as responsible leaders need to find ways of addressing (see page 58).

The cancellation of face-to-face interactions affected revenue for in-person seminars and events. Sponsorships decreased markedly at the start of COVID-19 and our ability to attract funding for our Nation Building initiatives was also affected. Many of our members are under significant pressure, which is likely to have an impact on member fees, our main source of income. However, the majority of these fees are collected at the start of the year and the full impact will only be evident in the next billing cycle at the start of 2021. For the year to 31 December 2020, SAICA group was able to generate a surplus of R61,4 million to bolster reserves.

SAICA is proud of our excellent relationships with stakeholders, which is an important asset in the value we create for members. We note with concern the developments and changes in leadership in IRBA as we appreciate the ability to continue engaging with IRBA as our regulator.

CHALLENGES

Synchronisation challenges

As part of the Ushintsho project, the process of retiring the legacy member engagement platform and migrating to the new CRM platform has created a number of challenges.

These migration issues are a result of the inflexible and complex structure of the data in the legacy platform which is taking time to resolve.

As a result, a number of data fields did not map accurately and has created an ongoing number of data mismatches between the two platforms.

The Ushintsho team, in collaboration with business, have managed to reduce the number of incidences of mismatched data.

Behaviour of members reported on in the media

The profession continues to be negatively impacted from a reputation perspective by the behaviour of a few individual members – as evidenced in public commissions such as the Zondo Commission – and

this is hampering our efforts to restore trust in and admiration of the profession.

These events, coupled with new announcements of alleged misconduct by members in media reports as well as the perception by the public of SAICA's perceived slowness of dealing with such cases from our legalistic but fair investigation and independent disciplinary processes, further impact on our efforts to restore the profession's image.

We remain committed to restoring trust in our noble profession and the resolve to serve the public interest despite these setbacks.

Impact of no increases and no STI payments on staff engagement

Although the staff engagement score has improved from 49% in 2019 to 75% in 2020, the non-payment of the short term incentive, as well as the decision not to award salary increases for employees above a certain level in 2020, has had a worrying and negative impact on other aspects of the staff engagement survey results.

A specific concern is the rating of staff intending to remain at SAICA for the next three years at 69%. In addition, 67% of staff still do not believe that SAICA is a great place to work. 20% of the staff indicated that to make SAICA an employer of choice, the organisation must review bonuses, salary increases and recognition programmes.

These aspects need to be addressed in order to retain high-performing key staff members.

LOOKING AHEAD

2020 clearly showed the critical importance of being adaptable to the changing environment. SAICA demonstrated its agility in adapting rapidly so that we could continue to deliver value to members while finding new ways to engage with stakeholders.

Conditions ahead appear to be challenging. It seems that COVID-19 will be with us for some time and there is little to suggest that economic conditions will recover in the short term. Members are likely to remain under pressure and external funding for our Nation Building projects will be hard to raise. We continue to improve our understanding of member needs and to use the new ways of engaging to identify initiatives that can continue to create value for our members as well as for our broader stakeholders.

Sustainability has become integral to SAICA's deliberations and decision-making. Work has commenced to establish the Institute's consolidated sustainability programme and to quantify its impact on the environment and natural capital. Henceforth SAICA will report accordingly.

Sithembiso Freeman Nomvalo

Chief Executive Officer, SAICA



OPERATING CONTEXT

COVID-19 has had a significant impact on business around the world, and there is considerable uncertainty regarding the economic future. The world is in recession and 2020 is forecast to see the biggest drop in global GDP since World War II. Job losses and business closures are expected to weigh on consumer demand until at least the end of 2021. While the G20 has pledged over US\$7 trillion in fiscal support to assist consumers and business with the impact of lockdowns and the International Monetary Fund is ready to make available US\$1 trillion in loan capacity, these resources on their own are insufficient to drive market recovery.

Globally, research indicates that between 25% and 63% of consumers expect their household income to continue to fall. During the pandemic, consumers shifted to digital channels, products and services. They also adopted new ways of learning, working, entertainment, procuring essentials and non-essentials, connecting with others, and managing wellness while at home (McKinsey Global Institute; Managing COVID-19: How the pandemic disrupts global value chains; World Economic Forum (2020)).

COVID-19 also struck at the core of global value chain hub regions, including China, Europe and the US, affecting supply chains across the world. Industrial production in China was down 13,5% in January and February and significant declines were seen in exports and imports of products used as intermediates in production, such as textiles, electric and electronic equipment. While the Chinese economy has recovered strongly, the global shipping industry remains severely disrupted (McKinsey Global Institute; Managing COVID-19: How the pandemic disrupts global value chains; World Economic Forum (2020)).

Concomitant with the COVID-19 crisis, other global social and environmental concerns have not abated, not least of which includes the significant challenges of climate change that are becoming increasingly evident. These include drought and extreme weather conditions, as well as their impact on food supply.

SOUTH AFRICA IS EXPERIENCING SEVERE SOCIO-ECONOMIC PRESSURES

In South Africa, the severity of the lockdowns prevented businesses from operating for extended periods, leading to business closures, job losses and a significant decrease in tax collections. The South African economy was already in recession at the start of the pandemic, impacted by

load shedding, increases in the price of electricity, policy uncertainty and a failure by government to implement necessary economic reforms.

The pandemic impacted vulnerable members of society disproportionately and highlighted several of South Africa's most significant social challenges, including economic inequality, racism and gender-based violence.

Social stability in the country is under pressure with high unemployment and rising food prices raising the prospect of increased social unrest, which will make it difficult for small businesses to grow and create jobs. Service delivery challenges persist. Education and skills development remain key challenges for the country's future. Governance failures in private and public institutions are widely reported, some assisted by members of the accounting profession, and revelations regarding auditors implicated in state capture allegations have resulted in a loss of confidence in the profession. The Minister of Finance announced his intention to institute a review of the audit profession in his February 2020 Budget Speech and in January 2021 he dissolved the Board of IRBA.

There is ongoing public concern and intolerance for corruption, some of which was due to unethical (and sometimes criminal) conduct of a handful of SAICA members, nonetheless resulting in an erosion of trust in the profession and reputational damage.

The crisis resulting from COVID-19 necessitated acceleration in shifts already emerging in the economy, such as the use of digital platforms to reach customers, allowing employees to work remotely and automating operations. Other trends that are increasingly evident include the rapid emergence of disruptive technologies (Fourth Industrial Revolution), changing business models that require innovation and increased mobility of labour and capital due to globalisation.

The 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. Growth in disruptive technologies is changing the traditional way of doing business, rendering current processes inefficient. Unfortunately this also introduces risk, as evidenced in the increasing sophistication and frequency of cybercrime attacks, exacerbated by the enforced and rapid shift to remote working during lockdown.

MEMBERS AND INSTITUTES ARE ALSO UNDER PRESSURE

The impact of the current challenges on chartered accountancy institutes worldwide includes significant financial losses as in-person events were cancelled, long term recruitment came under pressure and member 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 through the crisis.

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.

SAICA provided extensive support to members and business during the crisis through its COVID-19 hub and other initiatives discussed on page 66.

OUTLOOK

Within the context of the continuously shifting world and ongoing challenges to the daily operating environment, we expect the business and regulatory environment to continue evolving, with significant implications for businesses.

In addition, proposed changes in legislation such as the mining charter, national health insurance, minimum wage regulations and health and safety are negatively affecting business confidence and could reduce business's inclination to invest in the country.

Many accountants are just keeping pace with the changes. While it is imperative in a crisis that organisations first manage risk and near-term tactical issues, those that simultaneously plan for the future, ahead of the market, will have the greatest opportunity to establish (or re-establish) their leadership.

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 unethical behaviour of a few members in high profile cases that has affected the profession's reputation needs immediate and urgent attention. It is important for the profession to be a trusted partner that can make a difference by contributing to building a sustainable economy in South Africa.

SAICA believes that the accountancy profession is in a unique position in the post-pandemic recovery. COVID-19 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, professional advice and are in need of trusted voices to find reliable and credible assistance. Members need to differentiate themselves in order to gain competitive advantage.

This creates 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.

As a professional member body, SAICA's strategic thrust is inherent in its character. We believe that SAICA's strategic initiatives expressed in our 2021–2023 strategy discussed on page 54 are a fitting response that position SAICA as a sustainable organisation delivering a relevant and globally accepted value proposition. This will enable our members to step to the fore as responsible leaders, rebuild trust in and relevance of the accounting profession, position the industry to respond to global and local shifts, and to manage the concomitant risks and opportunities. While SAICA's strategic pillars remain, they are being streamlined and adjusted to reposition SAICA and priorities actions in the context of the changed environment.

SUSTAINABILITY STRATEGY

Many of SAICA's departments and divisions are currently engaged in numerous sustainability-related initiatives. While these initiatives have the same objective, they might have different focus areas and target audiences. As the sustainability agenda increasingly becomes integral to boards' deliberations and decision-making, it behoves SAICA to consolidate all these initiatives under a single umbrella programme that clearly articulates SAICA's sustainability position. To this end, work has commenced to establish this consolidated sustainability programme.

The main objective of the programme is to consolidate the various sustainability-related initiatives being undertaken by each division under a single sustainability programme in order to:

- Realise both the Board and SAICA's sustainability aspirations
- Quantify SAICA's impact on the environment and natural capital
- Ensure effective impact on members and members' roles in the economy and society in the context of the sustainability agenda
- Provide appropriate learning and development opportunities to members, associates, learners, students and trainees
- Influence standard-setting development and advocate for effective sustainability practices and reporting
- Develop success measurement criteria for all streams and track progress against the measures



SAICA's material matters are those matters that impact on our ability to deliver on our strategy and that have the potential to affect our ability to serve public interest, create, preserve or has the potential to erode value for our stakeholders in the short, medium and long term

The material matters are identified, prioritised and evaluated as follows:

STEP 1: IDENTIFY	STEP 2: PRIORITISE	STEP 3: RESPOND
Material matters are identified by reviewing SAICA's external and internal operating environment, our key risks and opportunities, issues identified as critical to stakeholders (especially members) and matters discussed by the Board and Board sub-committees	Material matters are prioritised according to the degree to which they impact SAICA's reputation and strategic delivery, the extent of control we have over the issue and its effect on risk metrics in relation to the strategy	SAICA assesses the impact on our risk tolerance/appetite, the actions required to manage the material matters and their impact on strategy

The outcomes of these reviews and evaluations are presented to the Board and relevant sub-committee (Audit and Risk Committee) and reported to members and other stakeholders.

The material matters were reviewed in 2020 against the information derived from the strategic review and grouped according to broader overarching themes to reduce overlap, resulting in the number of material matters decreasing from twelve to six.

2020 MATERIAL MATTERS AND RANKING			2019 MATERIAL MATTERS AND RANKING	
1		COVID-19 and its impact on the business; our response and recovery process	Non-existent in 2019	
2		Remaining relevant, ethical and responsive under difficult economic and regulatory conditions	Reputation of SAICA and its designations	3
			Sustainability of the accountancy profession	9
			SAICA's relationships with key government agencies	11
3		Restoring trust in the profession through advancement of ethics matters and accountable discipline	Competent and ethical chartered accountancy professionals	1
			Reputation of SAICA and its designations	3
			SAICA's advancement of ethics matters	4
			Education and training	8
4		Delivering excellence to advance professional competences	Competent and ethical chartered accountancy professionals	1
			SAICA's value proposition	2
			Enhancing members' professional competences	7
			Education and training	8
			Brand clarity	12
5		Enhancing stakeholder impact through collaboration and transformation in the service of public interest	Transformation of the profession	5
			International affiliates and other organisations of influence	10
			SAICA's relationships with key government agencies	11
6		Leveraging sound governance to achieve operational efficiency, sustainability and resilience	SAICA's governance processes	6

SAICA's 2020 material matters and their linkages to the relevant strategic pillars are discussed below.

2020 MATERIAL MATTERS

1. COVID-19 and its impact on the business, the response and the recovery process

COVID-19 has a significant impact on the South African economy and society, as well as the day-to-day operations of SAICA, our employees, members and other stakeholders. However, it has also provided an opportunity to rethink the way we work and support our members as well as other stakeholders henceforth. The accounting profession has a key role to play in the economic recovery as trust leaders and 'Difference Makers' of the future.

STRATEGIC PILLARS:



2. Remaining relevant, ethical and responsive under difficult economic and regulatory conditions

The challenging economic environment and the impact of COVID-19 placed significant pressure on SAICA, its members and South African business. It is essential for SAICA's sustainability and for its members that the Institute remains relevant and responsive regardless of the prevailing context. This requires that we regularly engage with members to understand their needs and ensure that we continue to create value for them. SAICA's reputation and the strength of its designations (CA(SA), AGA(SA) and AT(SA)) are important assets that sustain the profession's ability to attract top candidates. The professional development programmes and our training courses need to equip members with the skills they require to be relevant today and in the future. It is essential that we maintain good relationships with government departments, related agencies, regulators and other stakeholders to ensure that we can continue to represent members' interests. The three complementary accounting designations align with the country's financial market needs and SAICA's relevance across the full professional accounting education and training landscape.

IMPACT OF COVID-19

- The increased complexity introduced by the pandemic and the shift to remote working had a short term impact on SAICA's ability to respond to members timeously.
- Social distancing prevented direct engagements with stakeholders.
- Cancellation of sponsorships and face-to-face events affected revenue.
- + SAICA provided comprehensive accounting and business support for members and business (see page 66).

STRATEGIC PILLARS:



3. Restoring trust in the profession through advancement of ethics, accountability and discipline

The accountancy profession is founded on ethics and standards, and SAICA has a key role to play in advancing ethics among its members, and in broader society. Recent allegations of unethical behaviour by SAICA members in high-profile cases have negatively affected SAICA's reputation and the CA(SA) designation. SAICA's Code of Professional Conduct sets out the fundamental principles of ethics for our members. The disciplinary process ensures that complaints against members are assessed in a transparent, fair and equitable manner, and in terms of the Institute's by-laws.

A trust reconstruction campaign is being implemented which includes an integrated communication and marketing strategy to project the profession as #aprofessionofnationalvalue and #trustleadership.

IMPACT OF COVID-19

- The disruptions caused by COVID-19 and the lockdown caused a delay in finalisation of disciplinary processes, although the new by-laws facilitated quicker resolutions of some cases.

STRATEGIC PILLARS:



2020 MATERIAL MATTERS

4. Delivering excellence to advance professional competences

The professional and technical competence of our members are some of the key ways in which they create value and includes a commitment to ethical conduct. As the custodian of the designations, SAICA ensures that competency standards are continuously enhanced to an appropriate level throughout the member lifecycle through a rigorous approach to the education, examination and training of prospective members, and an emphasis on continuing professional development (CPD).

The rapid pace of change in business and emergence of disruptive technologies mean that the skills and competences required of accountants are likely to change significantly in the near future. SAICA is emphasising the need to ensure that member competences continue to evolve to meet the needs of the future through the CA2025 project and through technical programmes and accreditation in the critical skills of the future.

IMPACT OF COVID-19

- + The move to remote interactions increased engagement with students, trainees centres and institutions.
- Cancellation of in-person events affected cashflow, revenue and cost savings as well as ITC and APC assessments.
- + Attendance for virtual events increased significantly.

STRATEGIC PILLARS:



5. Enhancing stakeholder impact through collaboration and transformation in the service of public interest

SAICA's active participation in international forums is an important aspect of its advocacy role to gather valuable input for our member engagement activities and inform global standard-setting. The Institute's relationships with peer accounting institutes provides access to thought leadership and improve members' professional mobility and international business networks.

Transformation is a key focus of SAICA's activities and the transformation of the Institute and the profession in line with population and gender demographics is a strategic imperative to ensure the relevance and sustainability of the profession. SAICA's collaborative nation-building initiatives include a focus on supporting HDSA learners and students to achieve the necessary qualifications to become a CA(SA).

SAICA's strong relationships with its stakeholders, including government departments, related agencies and regulators, support cooperative activities and representation of member interests.

SAICA is proactive in engaging with the media to address public concerns regarding the reputation of the profession.

IMPACT OF COVID-19

- The move to remote engagements altered the nature of engagements and collaborations.
- Students and bursars were severely affected by the closing of schools and tertiary institutions.
- + SAICA's thought leadership response was widely shared internationally, increasing the Institute's relevance.

STRATEGIC PILLARS:



6. Leveraging governance to improve operational efficiency, sustainability and resilience

SAICA's relevance and sustainability are strengthened by ensuring that its governance processes are aligned with international best practice. SAICA is implementing the recommendations of the governance review task team to ensure that the Institute has a best-practice and fit-for-purpose governance framework. Effective oversight of the organisational sustainability projects supports implementation of these initiatives.

IMPACT OF COVID-19

Meetings of the Board and Board sub-committees moved to virtual platforms.

STRATEGIC PILLARS:



OUR CAPITAL INPUTS

SAICA's relevance today and in the future, and its ability to execute its strategy and create long term value, are interrelated and fundamentally dependent on the relevant capital inputs and the decisions made by management and the Board regarding the trade-offs required between these capitals as we conduct our activities.

While we appreciate that SAICA is impacted by all the capitals in varying degrees, we are an organisation with a primary focus on member and social benefit. We are

nevertheless committed to environmental responsibility with regard to electricity and water use, and minimising waste generation. SAICA is in the process of quantifying its impact on the environment and natural capital. This process is due to be completed in 2021. As such, reliable information is not yet available to disclose in this report pertaining to our use and impact on natural capital. SAICA has launched a sustainability programme to consolidate the various sustainability-related initiatives being undertaken by each division/department under a single sustainability programme.

CAPITAL TRADE-OFFS DURING 2020 INCLUDED:

The ongoing investment in the Ushintsho project is strategically important to develop the intellectual capital available to SAICA, but diverts financial resources from other areas.

The shift to remote working before lockdown supported the wellbeing of SAICA staff but led to increased costs for data. The cancellation of all business travel resulted in cost savings and, together with the reduction in daily commutes, reduced carbon emissions.

The output of intellectual capital increased significantly during COVID-19 in the form of technical clarifications, member query resolution, thought leadership, communication, webinars and virtual events. While this has significantly enhanced our social and relationship capital, it came at the cost of human capital, with staff working very long hours to create these outputs and meet member needs. While staff engagement improved, employees raised concerns regarding the non-payment of short term incentives.

Concessions and payment plans offered to some members who were particularly impacted by COVID-19 affected revenue and cashflows, but helped to strengthen our relationships with these members.

Appointments were made in key executive roles during the year, strengthening human capital but increasing payroll costs.

SAICA believes that it has sufficient availability, quality and affordability for all the necessary capitals to execute the 2021–2023 strategy. The financial capital in relation to disciplinary matters was funded through the special levy, which may be exhausted in the medium term. SAICA therefore needs to consider the implications of continued disciplinary matters in the future.

Realisation of the cost-saving opportunities that COVID-19 presented improved the contribution to reserves which must be used in part to meet operational requirements from 2021 onwards.



BUSINESS MODEL

CAPITAL INPUTS



INTELLECTUAL CAPITAL

SAICA's strong reputation and its designations – 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 entry-level Competency Framework (CA2025) and post-qualification Competency Framework (CA Pathways to Relevance) will enable a membership body who has developed a shared set of professional competences

Thought leadership initiatives, technical development and the skills and experience of staff and members on our technical committees



FINANCIAL CAPITAL

R408,7 million (2019: R435,4 million) in membership subscriptions, examination and training-related fees, and revenue from services and products offered to members

R4,8 million (2019: R5,6 million) in sponsorship revenue

R382 million in donor funding raised for developmental programmes from companies, firms, government, members and individuals



SOCIAL AND RELATIONSHIP CAPITAL

Member participation through the various SAICA structures

Developmental programmes driving educational and skills development initiatives as well as transformation in the profession

Recognition agreements with 14 professional bodies

The good relationships SAICA and its staff have with stakeholders

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



HUMAN CAPITAL

The diverse capabilities of SAICA's 215 (2019: 208) staff members



MANUFACTURED CAPITAL

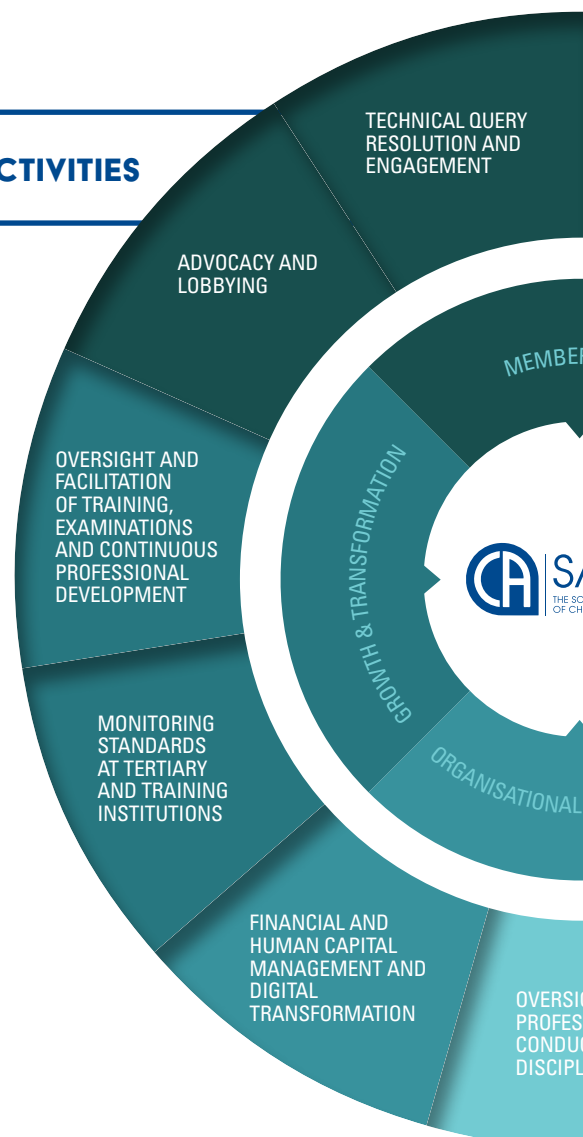
SAICA's education and training programmes are delivered through the infrastructure of universities, private providers and training offices

SAICA rents premises in Johannesburg (Head Office), Durban, Cape Town and Bloemfontein, from which all operations are conducted

SAICA's IT infrastructure and office equipment

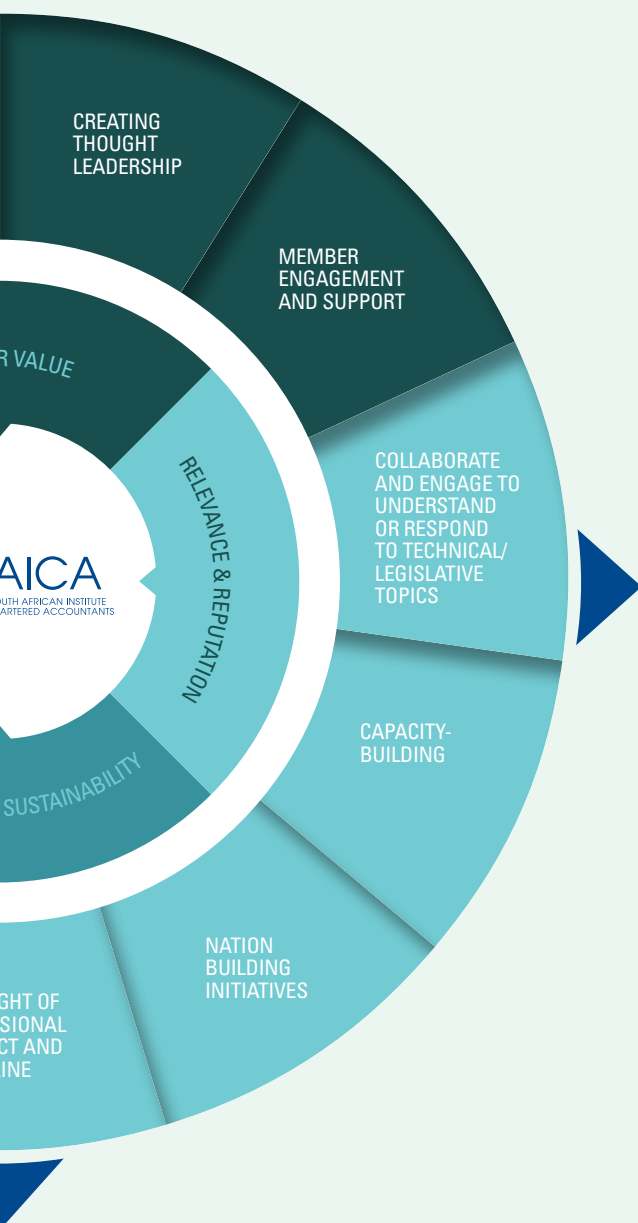
Access to basic natural resources to support operations, such as electricity supply and water

ACTIVITIES



OUTCOMES

ITC and APC assessments conducted	Net cash from operations R123,1 million Surplus allocated to reserves R61,4 million
Integrated ethics framework	Revised competency framework
Revised by-laws	Post-qualification specialisation offerings
Thought leadership exposures	Accountancy SA circulation growth
Thuthuka funded 646 bursaries for undergraduate degrees, 452 for CTA and 250 for beneficiaries through the capacity-building programmes	



PUTS

Disciplinary actions concluded	Stakeholder engagement activities
CPD offerings	SDG Report, #FinBiz2030 and #SustainableSA
Formal advocacy submissions	Top 35-under-35 competition
Risk appetite tolerance framework and combined assurance policy	SAICA News
Completed succession planning	APC pilot project charter and Pathways to Relevance pilot

CAPITAL OUTCOMES



INTELLECTUAL CAPITAL

- Attractiveness of the profession to new entrants
- Brand strength and admiration among business decision-makers
- Member satisfaction
- Increase in CAs(SA) qualifying
- Enterprise risk management maturity level 4
- International recognition enabling member global mobility
- Improved disciplinary process to enable better ethical culture



FINANCIAL CAPITAL

- Reserve target met
- R61,4 million (2019: R78,5 million) surplus allocated to reserves
- Revenue is R59,9 million less than the budgeted amount in 2020 and the operating expenses are R63,1 million less than the budgeted amount



SOCIAL AND RELATIONSHIP CAPITAL

- Satisfied and engaged stakeholders
- Member appreciation and global recognition for the strong support provided during COVID-19 through technical advice, advocacy and webinars
- 2 050 new CAs(SA) in 2020
- 471 new AGAs(SA) and 330 new ATs(SA)
- 2 590 ITC qualifying examination candidates passed (2019: 2 762). APC results are not yet out (2019: 2 024)
- Continued relevance of members through CPD activities



HUMAN CAPITAL

- R152,8 million in employment costs (2019: R285 million)
- Key executive roles filled and capacity added to the Standards department
- R978 000 invested in skills development (2019: R2,4 million)
- 79% employees deemed historically disadvantaged South Africans (HDSA) (2019: 78%)
- 71% staff are female (2019: 71%)
- Employee engagement score improved to 75% (2019: 49%)
- Employee turnover decreased to 8% (2019: 12%)



MANUFACTURED CAPITAL

- SAICA's outlook on sustainability programme
- Throughput pass rate ITC and APC
- 204 allocated CTA students (2019: 238)

KEY STAKEHOLDERS

Operating with an understanding of the needs and interests of a broad range of stakeholders helps us to respond appropriately to these expectations, support the transformation and upliftment of communities and contribute to sustainable societies.

This understanding is critical to identify our strategic dependencies (those stakeholders SAICA depends on to execute its strategy) and our strategic benefactors (those who will benefit from the achievement of the strategy). It is also an important input into strategy, helps to determine material matters and supports the identification of risks and opportunities.

A comprehensive SAICA stakeholder engagement strategy and plan is in place, while a stakeholder management policy is being developed. Significant engagements with stakeholders are captured in an

organisational stakeholder engagement tracking document quarterly and reported to the Social, Ethics and Transformation Committee.

The Institute's key stakeholders are identified by considering SAICA's most material matters, continued local and international relevance, technical competence, reputation management, financial sustainability and service of the public interest.

SAICA conducts an annual survey of stakeholders. The results of the 2020 survey indicated an annual stakeholder survey satisfaction score of 82%.

SAICA's key stakeholder groups are shown in the graphic below. More information on how we engage with these stakeholders, their key concerns and how we respond to these is available in the table on page 35.

MEMBERS AND ASSOCIATES	EMPLOYEES	REGULATORS	USERS
GOVERNMENT	NON-GOVERNMENTAL ORGANISATIONS AND THE GENERAL PUBLIC		TRAINEES
STUDENTS	FIRMS	ACADEMIA	MEDIA
TRAINING OFFICES	LEARNERS AND EDUCATORS	DONORS	ALLIANCE PARTNERS

KEY STAKEHOLDER ENGAGEMENTS IN 2020

As a result of COVID-19, the majority of engagements were held remotely this year. Significant engagements during 2020 included the following:









- Local and international virtual CEO roadshows were held to update members on a range of topics including SAICA's strategy, governance and ethics, relevance and member value, the COVID-19 response, digitisation, and other matters of regional interest. Members were particularly concerned about the impact of slow disciplinary processes on SAICA's reputation, the Institute's role in the restoration of trust and professional reputation, and how SAICA is assisting the fight against fraud and corruption in South Africa. Compliments were received in respect of the Leadership in a Time of Crisis webinar series (including from international-based members) and SAICA's role in the COVID-19 operational and technical support.
- Extensive engagement with regulators and government departments at the start of COVID-19 to understand the

impact of the regulations and amendments that came out and to advocate for members' interests where necessary.

- The Professional Development unit engaged often with IRBA, the Association for the Advancement of Black Accountants of Southern Africa (ABASA), African Women Chartered Accountants (AWCA), students, academia, trainees and training offices regarding aspects such as the ITC and APC examinations.
- Nation Building had more regular engagements with our Thuthuka donors, including the launch of the Thetha Thuthuka platforms that enable Thuthuka donors to engage directly with Thuthuka students.









Extensive engagements were held with a range of stakeholders in support of the Relevance and Reputation strategic pillar. These included engagements with large and small audit firms, key government bodies and departments, business organisations, the media and the Johannesburg Stock Exchange.











KEY STAKEHOLDERS AND ENGAGEMENT CHANNELS

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
MEMBERS AND ASSOCIATES			   
<ul style="list-style-type: none"> SAICA Board, SAICA National Council and Regional Councils National and regional constituency-based committees Roadshows Interest groups Networking / seminars and events Online member communications Face-to-face member visits Focus groups with members SAICA-facilitated member engagements with regulators Annual General Meeting 	<ul style="list-style-type: none"> Active engagement with SAICA (no apathy) Adherence to Code of Professional Conduct (ethical conduct) Understanding of lifelong learning principles (so as to not participate in CPD as a tick-box exercise) 	<ul style="list-style-type: none"> Value of SAICA membership Reputation of SAICA designations, especially the CA(SA) brand SAICA's disciplinary process with regard to members under investigation for transgression of the Code of Professional Conduct; overall ethical standing of the profession Enhancement of their professional competences CA(SA), AGA(SA), AT(SA) brand clarity and enhancement SAICA and member relationships with key government agencies Sustainability of the accountancy profession Personal and technical support, query resolution and advocacy during COVID-19 	<ul style="list-style-type: none"> An integrated designations communication and marketing plan to protect and build the reputation and sustainability of SAICA's designations Continuous professional development Technical and non-technical training Professional support Premium/market-leading designation International (professional) mobility SAICA engages with government stakeholders on behalf of members Through engagement with government SAICA identifies opportunities for its members to contribute to the development of South Africa's economy and society SAICA plays an active leadership role in the profession and the community to enhance the image and standing of the designations
EMPLOYEES			   
<ul style="list-style-type: none"> The daily interface between management and employees Regular departmental meetings Organisational town halls Employee engagement surveys Ongoing performance discussions 	<ul style="list-style-type: none"> Can be the strongest brand ambassadors for SAICA Highly motivated, skilled and competent staff are critical to the successful implementation of SAICA's strategy 	<ul style="list-style-type: none"> Health and wellness during COVID-19 Support and the necessary tools to work from home effectively Clear understanding of SAICA strategy to maximise their contribution to its implementation Fair remuneration Transformation Career progression through competency and skills development 	<ul style="list-style-type: none"> SAICA implemented its BCP 10 days before lockdown and rolled out the necessary protocols to ensure employees' health and safety during COVID-19 Employees were provided with the technology and data where necessary to work from home SAICA is committed to fair treatment and remuneration of employees SAICA delivers a range of development and training programmes for employees SAICA communicated regularly to its employees SAICA applies a proactive equity employment strategy

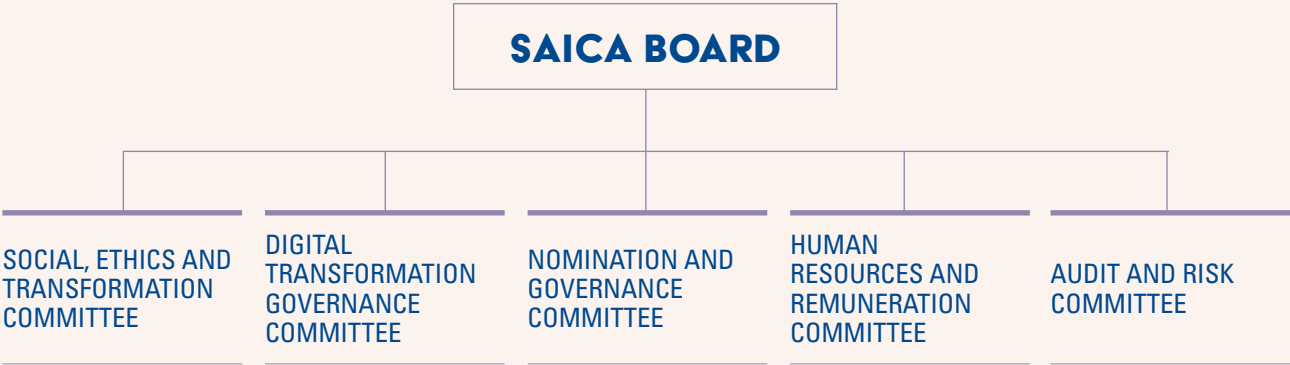
HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
REGULATORS			
<ul style="list-style-type: none"> SAICA committee structures Accreditation engagements Face-to-face meetings 	<ul style="list-style-type: none"> Provide the regulatory framework in which SAICA operates 	<ul style="list-style-type: none"> SAICA and SAICA member compliance with regulations Inputs and commentary on regulations to assist in their development 	<ul style="list-style-type: none"> Ensuring compliance of the Institute and members is a significant priority and we engage with regulators as necessary to provide input on developing regulations as representatives of the accounting profession Understanding of their regulatory requirements to ensure that SAICA programmes and members continue to be compliant
USERS			
<ul style="list-style-type: none"> Skills of the future focus groups Employer and recruiter engagements Face-to-face interactions SAICA market surveys 	<ul style="list-style-type: none"> Help SAICA keep abreast of market needs and the roles our members need to play to deliver these, which helps to ensure the continued relevance of our training, CPD offerings and members Ensure that our programmes are designed to enable SAICA members and associates to deliver the best value to their employers Potential funders for SAICA nation-building/ financial capacity-building initiatives 	<ul style="list-style-type: none"> Competent and ethical professionals SAICA members to be value creators for their businesses and departments Quality-assured and trusted/ reputable programmes in which to place funds 	<ul style="list-style-type: none"> Excellence in competence Continuous professional development Technical and non-technical training Professional support for members Rigorous training programme
GOVERNMENT			
<ul style="list-style-type: none"> Parliamentary presentations Meetings with various representatives from various government departments and related entities Engagement with departments related to the profession, especially National Treasury, the Department of Higher Education, the Department of Trade and Industry and the South African Reserve Bank 	<ul style="list-style-type: none"> Engage with SAICA on how the Institute and its members can best contribute positively to the development of the South African economy and society Strategic partnerships for Nation Building initiatives Users of financial capacity-building initiatives 	<ul style="list-style-type: none"> Well functioning capital markets Transformation of the profession in line with the national context Identification and implementation of projects that can assist in the implementation of the National Development Plan with particular reference to elimination of corruption and provision of accounting support for African entrepreneurs and emerging small businesses 	<ul style="list-style-type: none"> SAICA's purpose commits the Institute to contribute to a sustainable South African society Transformation is a key focus of the Institute's activities SAICA's Nation Building initiatives include projects that aim to address the key challenges facing the country, including education, transformation, skills development and job creation.
NON-GOVERNMENT ORGANISATIONS AND THE GENERAL PUBLIC			
<ul style="list-style-type: none"> Engagements driven by SAICA's trust restoration imperatives 	<ul style="list-style-type: none"> Take a stand on issues of public interest and play a role in shaping public opinion 	<ul style="list-style-type: none"> Professional conduct of our members Impact of our members on the public and private sector and the economy SAICA's role in the enhancement of the independence and ethical conduct of the profession SAICA's role and commentary on their particular areas of public interest 	<ul style="list-style-type: none"> SAICA proactively engages with the non-government organisations in areas of shared interest and participates in initiatives to raise awareness

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
TRAINEES			
<ul style="list-style-type: none"> • Trainee workshops • Online surveys • Trainee Tuesdays online engagements • One-on-one engagements 	<ul style="list-style-type: none"> • Sustainability – trainees represent the future of the profession • Potential ambassadors for the profession if engaged with appropriately 	<ul style="list-style-type: none"> • Professional practical work experience through the SAICA training programme • Development of competences that will increase their market attractiveness/employability and help them contribute to the economy and greater society • Regular updates on how COVID-19 could affect their traineeships and tips on how to manage the challenges of the training contract 	<ul style="list-style-type: none"> • Rigorous training programme • Trainee appeal process to SAICA in relation to training regulations • Engage in employment contract • Frequent communications to keep trainees and training offices updated
STUDENTS			
<ul style="list-style-type: none"> • Ongoing engagement through the student funding and support initiatives • Student forums for networking and mentorship from young professionals/members 	<ul style="list-style-type: none"> • Pipeline: Students in the accounting stream represent possible future members and it is therefore critical to understand their needs and interests 	<ul style="list-style-type: none"> • Support to continue their studies during lockdown and assistance to return to campus as soon as possible • Rising tertiary institution costs and funding challenges (fee-free education and ongoing #FeesMustFall discourse) • Students look to SAICA as the custodian of the profession and they require a high-quality programme from SAICA that ensures their employability after successful completion of their education and training 	<ul style="list-style-type: none"> • SAICA engaged with tertiary institutions to help students return to campus so that they could resume their studies. • Provision of financial support to eligible students through the Thuthuka Bursary Fund (TBF) and ISFAP (both on page 70) • SAICA provides additional academic and psycho-social support to students who are eligible and demonstrate potential
FIRMS			
<ul style="list-style-type: none"> • Training officers • Firm visits • Trainee allocation engagements 	<ul style="list-style-type: none"> • Skills absorption: Trainee placement and employers for SAICA members • SAICA programme support: Thuthuka donors 	<ul style="list-style-type: none"> • Highly competent and trained trainees and members • Relevant programmes that assist in providing a skills pipeline • Members that are trained for the business of the future/impact of the Fourth Industrial Revolution on auditing and other accounting functions • Technical support, query resolution and advocacy during COVID-19 	<ul style="list-style-type: none"> • Training programme development and support • Professional support • SAICA engages with government stakeholders on behalf of members

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
ACADEMIA			   
<ul style="list-style-type: none"> • Institutional accreditation • Competency reviews and updates • Accounting heads of department meetings • African academics conference 	<ul style="list-style-type: none"> • Competent training-ready students • Transformation of tertiary curriculum and teaching methods 	<ul style="list-style-type: none"> • SAICA accreditation for accounting programmes • Relevant higher education offerings • Training and subvention for African academics 	<ul style="list-style-type: none"> • Accreditation support • Development and support for academics
MEDIA			 
<ul style="list-style-type: none"> • SAICA proactively provides the media with information about the profession and commentary about key business and financial matters, as well as matters of greater public interest • Media responses • One-on-one interactions with various media houses, especially business media 	<ul style="list-style-type: none"> • Influence the reputation of SAICA and the profession as a whole • Key in shaping public opinion • Assist in reaching greater audience around the work, economic role and greater social and economic importance of the profession 	<ul style="list-style-type: none"> • Professional conduct of our members • Impact of our members on the public and private sector and the economy • SAICA's role in the enhancement of the independence and ethical conduct of the profession • Role and track record of the profession in transformation • SAICA's role and commentary on issues of public interest 	<ul style="list-style-type: none"> • SAICA proactively engages with the media to provide relevant updates and information and to ensure that the Institute's position on important matters is clearly communicated
TRAINING OFFICES			 
<ul style="list-style-type: none"> • Training office remote visits • Accreditation meetings • Training office workshops • Online surveys 	<ul style="list-style-type: none"> • Deliver the training component of the CA(SA) and AGA(SA) qualifications • Ensuring that the prospective members are competent, ethical and relevant for future world of work 	<ul style="list-style-type: none"> • A suitable supply of and retention of trainees • Reputation of SAICA designations, especially the CA(SA) brand • Training administration systems that are fit for business and easy to implement and administer • Effective application of SAICA accreditation criteria in order to ensure the continued quality of the programme • Flexibility in addressing issues that arose as a result of the lockdown • Regular updates and support in implementing the training programme • How COVID-19 could affect trainees' ability to write exams • Regular updates on how COVID-19 could affect their traineeships and tips on how to manage the challenges of the training contract 	<ul style="list-style-type: none"> • Training programme development and support • Promotion of high-quality training programmes at accredited training offices • Streamlined accreditation and monitoring, including more effective reporting to training officers • Frequent communications to keep trainees and training offices updated

HOW WE ENGAGE	THEIR ROLE IN VALUE CREATION	THEIR MATERIAL INTERESTS	HOW WE ADDRESS THESE INTERESTS
LEARNERS AND EDUCATORS			  
<ul style="list-style-type: none"> • School visits (career awareness) (virtual) • Career exhibitions (virtual) • Thuthuka development camps – Due to COVID-19 restrictions, only Limpopo province had a smaller camp when regulations allowed • Educator and curriculum support programmes 	<ul style="list-style-type: none"> • Science, Technology, Engineering and Mathematics (STEM) subject promotion • Curriculum development • Promotion of accounting as a tertiary subject choice • Advancement of accountancy careers 	<ul style="list-style-type: none"> • Access to careers that will make them employable while making a social contribution • Assistance in developing educational skills • Quality and relevant maths, science, accounting and English curricula 	<ul style="list-style-type: none"> • Career awareness • Academic support (STEM subjects) • Educator mentoring and support • Curriculum development assistance • School governance and financial management support
DONORS			  
<ul style="list-style-type: none"> • Funding proposal briefing sessions and proposals • Donor update meetings • One-on-one donor sessions • Student allocation engagements 	<ul style="list-style-type: none"> • Programme development (financial capacity-building) • Sustainability of SAICA student-funding programmes • Skills absorption (Thuthuka trainee allocations) 	<ul style="list-style-type: none"> • Transformation of the profession • B-BBEE • Quality-assured and trusted/reputable programmes in which to place funds 	<ul style="list-style-type: none"> • SAICA delivers mutually beneficial programmes • Tailored/sector or organisation-specific financial capacity-building • Effective programme delivery and trackable spend on financial contributions provides peace of mind to donors • SAICA's Nation Building initiatives include projects that aim to address the key challenges facing the country, including education, transformation, skills development and job creation • Introduction of the CA Charter is aligned to the B-BBEE Code of Good Practice to grow the number of Black people in the CA(SA) profession
ALLIANCE PARTNERS			   
<ul style="list-style-type: none"> • Regular engagement with other professional bodies through membership of GAA, CAW, IFAC and related meetings • Representation on various regional and international accountancy bodies and participation in meetings • Submissions to international accountancy bodies 	<ul style="list-style-type: none"> • Mutual assistance in maintaining global standards and vice versa • Sharing of best practice • Provide representation for South African concerns at global forums • Contribute to the establishment and sustainability of strong and stable accountancy institutes worldwide 	<ul style="list-style-type: none"> • South African compliance with international professional and related standards • Recognition agreements with a number of other professional accountancy organisations • A unified African profession and participation in the Pan African Federation of Accountants • Development of an international brand • South African inputs on key professional and technical issues, including the impact of COVID-19 on standards and the profession 	<ul style="list-style-type: none"> • SAICA is an active participant at board and executive levels in a range of professional bodies

GOVERNANCE STRUCTURE



SAICA Council has a seat on the SAICA Board. For more information refer to Page 98.

The SAICA Board is supported in its work by five sub-committees, to which various powers are delegated. The Board comprises 12 directors of whom ten are non-executive directors and three are non-CAs(SA) and independent from SAICA. The Board sees the value in diversity and believes that it assists in achieving a sustainable competitive advantage for the profession. All facets of diversity are considered in determining balance on the Board, including race, gender, disability, relevant skills and expertise, and knowledge of the core skills of the profession. As stated above, three of the current directors are non-CAs(SA) and the Board is composed with the majority of its members being HDSA and female.

The Board is the custodian of corporate governance in the Institute and is responsible for ensuring that strategic objectives are set and achieved in line with the purpose and objects of the Institute. It reviews key risks and opportunities, and evaluates performance in the context of the economic, environmental and social issues relevant to the organisation.

The SAICA National Council represents SAICA members' interests facilitated through input from the Regional Councils. It serves as a consultative forum and, at the request of the Board, provides advice to the SAICA Board on matters relating to the strategy of SAICA and the CA(SA) profession and associated designations, and where appropriate, management.

SAICA's governance framework is discussed in detail in the 'Governance report 2020' starting on page 90. Brief CVs for the directors are available on pages 91–93.

THE SAICA BOARD HAS 8/12
FEMALE REPRESENTATION

AMOUNTING TO

67%

KEY RISKS

ENTERPRISE RISK MANAGEMENT AND COMBINED ASSURANCE

The SAICA Board is ultimately accountable for the oversight of enterprise-wide risk. They ensure that assurance services and functions enable an effective control environment and support the integrity of information for internal decision-making and of the organisation's external reports.

ENTERPRISE RISK MANAGEMENT GOVERNANCE

The SAICA Group Enterprise Risk Management (ERM) policy and framework adopted by the Board governs ERM in the organisation and defines the roles and responsibilities of the Board, Board sub-committees, and various lines of assurance.

The SAICA Group ERM policy and framework aims to create a risk culture with clearly defined roles and responsibilities that ensures accountability for enterprise-wide risk management.

SAICA's strategic planning process includes the identification of matters or developments that have the potential to affect SAICA's ability to create value in the short, medium and long term. Value creation requires that some degree of risk is accepted within a defined risk appetite and tolerance. Those risks and opportunities that could impact the delivery of SAICA's strategy are identified on a continuous basis.

The ERM policy and framework integrates risk with performance management and aligns strategic objectives and performance goals with related processes, risks and controls.

By taking a systematic approach to risk management, management is able to proactively address threats arising

from the external environment and business risks occurring across the divisions within the organisation.

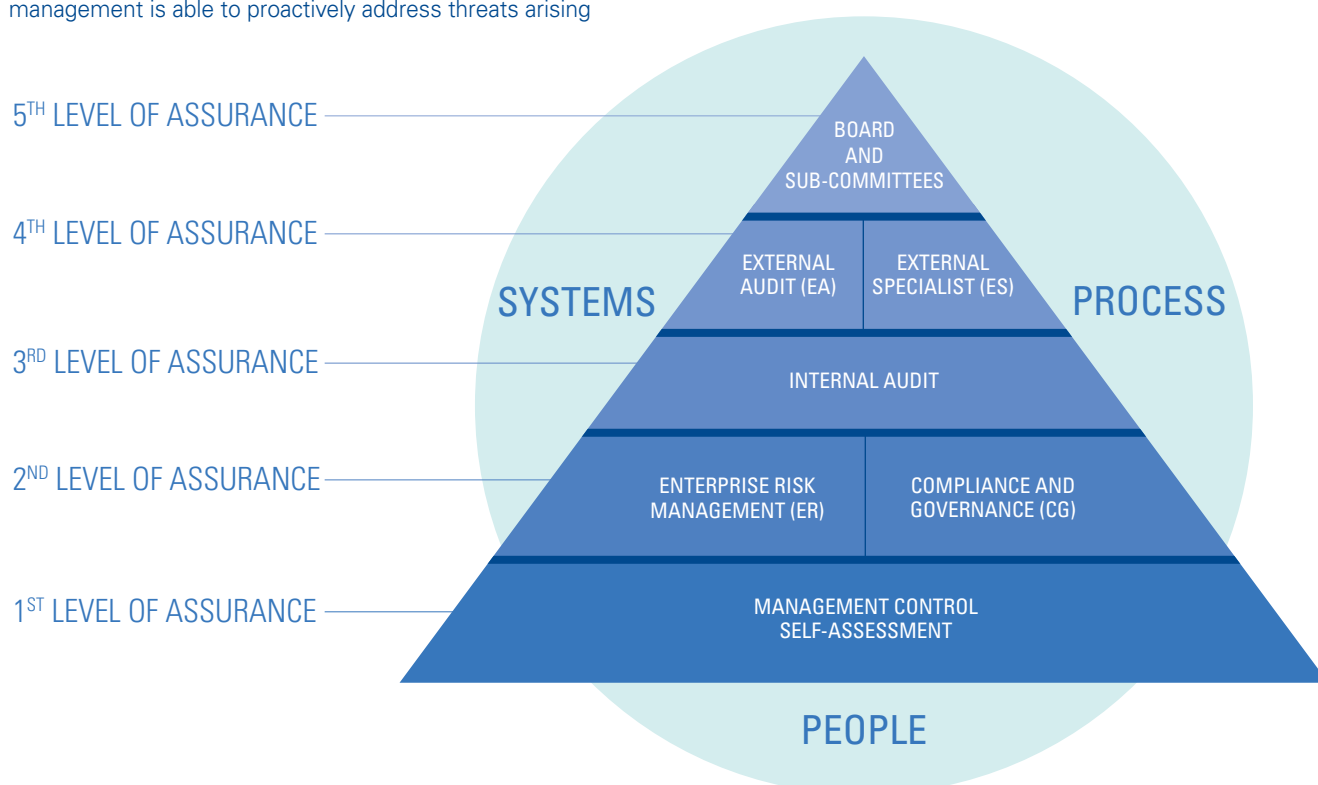
Risk management and opportunity identification form part of every discussion throughout the business, from one-on-one performance management/feedback sessions, divisional meetings, management and executive committee meetings to Board sub-committee meetings. Significant risks are reported on and approved at every Audit and Risk Committee meeting and reported at every Board meeting. Internal audit and other appointed assurance providers are contracted to provide independent assurance to assist management and the Board in ensuring that the control environment improves and objectives are achieved.

COMBINED ASSURANCE

The ERM policy and framework identifies five lines of assurance in SAICA's combined assurance model to provide assurance of the effectiveness of internal controls. The model ensures a holistic view and integrated approach to the assurance of key risks and actual performance of the Institute and its entities.

The diagram below describes SAICA's combined assurance model that informs the Board and Audit and Risk Committee's assessment of internal controls.

The Audit and Risk Committee assesses the appropriateness of SAICA's combined assurance model to ensure that significant risks facing SAICA are adequately addressed by the model.



ENTERPRISE RISK MANAGEMENT MATURITY

The SAICA Board and management prioritise the continuous maturity of the enterprise risk management environment at SAICA. In 2020, this included but was not limited to:

- The SAICA Board’s approval of the Combined Assurance Policy and Framework and related enhancement of SAICA’s combined assurance plan
- The SAICA Board’s approval of the Risk Appetite and Tolerance Framework
- Continuous enterprise-wide risk management (ERM) workshops for all staff

- Phased introduction of the Risk-Control Self-Assessment (RCSA) tool

At the start of the year, SAICA’s focus was on implementing and testing business continuity plans, which were instrumental in SAICA’s ability to respond effectively to COVID-19.

Management will continue to prioritise the embedding of the risk culture through, among other initiatives, ERM workshops and training for all staff.

ENTERPRISE RISK MANAGEMENT JOURNEY



RECOMMENDATIONS	IMPLEMENTED	IN PROGRESS	NOT YET DUE
<ul style="list-style-type: none">• Refinement and approval of the ERM policy and framework by the Board• Standardisation of the risk registers• Implementation of the combined assurance model• Ongoing staff training on ERM	• Implementation of the Risk Control Self-Assessment (RCSA) tool		
	<ul style="list-style-type: none">• Implementation of the Risk Appetite and Tolerance Framework• Implementation of the Combined Assurance Policy and Framework		
	• Refinement and unconditional endorsement of SAICA’s RCSA outcomes by the Board		

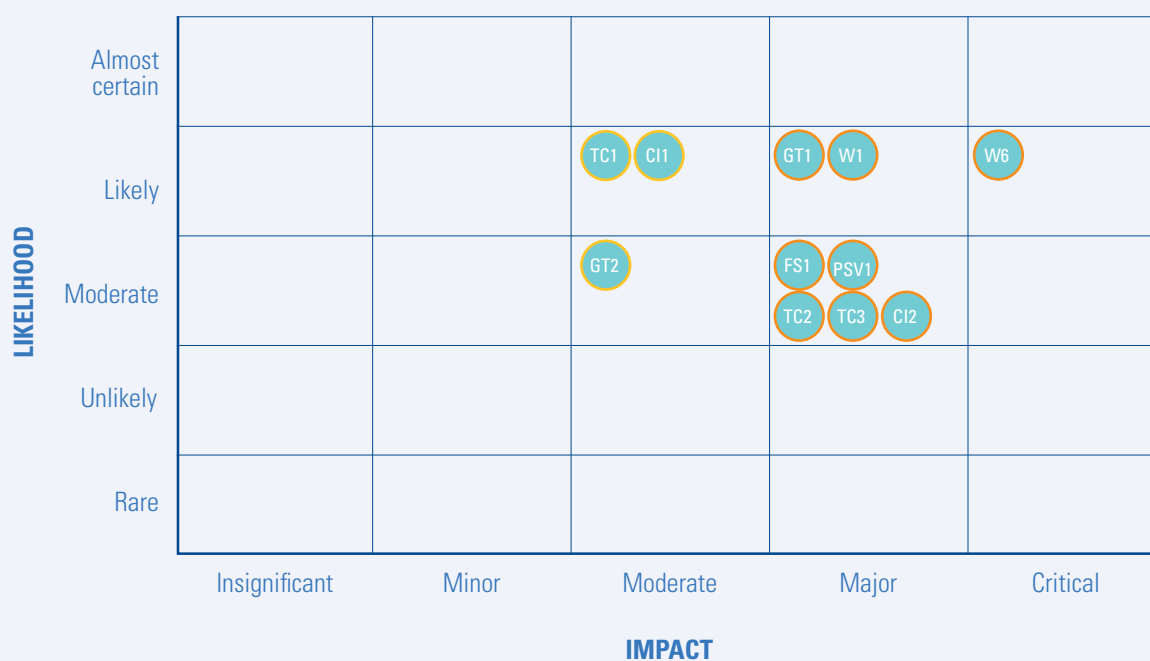
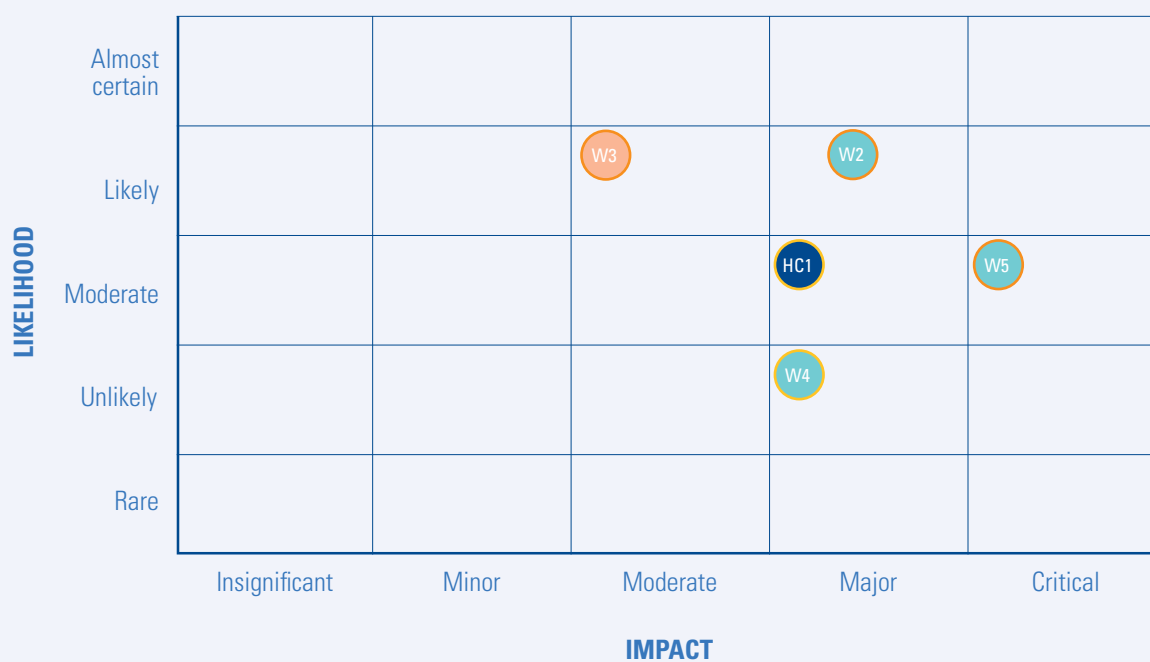
LEGEND

Fill colour indicates effectiveness of control

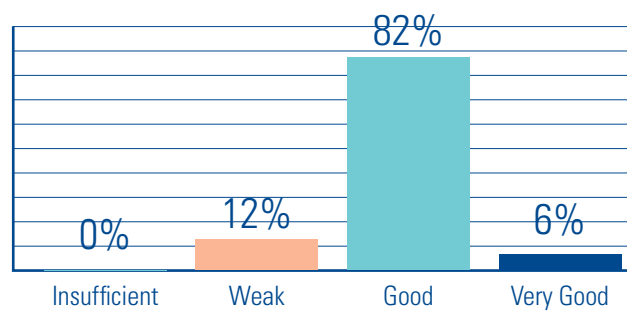
Border colour indicates residual risk assessment

**2020 STRATEGIC OBJECTIVES**

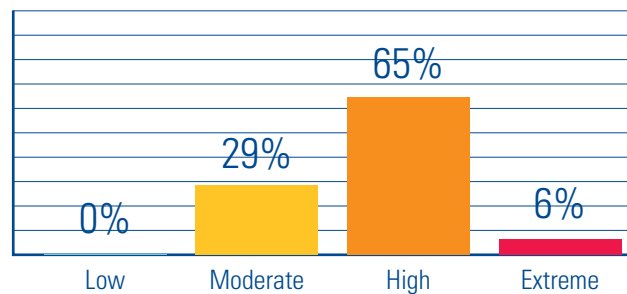
FS	Ensure financial sustainability
PSV	Ensure the premiership status and value of the profession for the member
TC	Enhance trust and credibility of the profession in the economy and society
CI	Promote common interest of members and associates nationally and internationally
GT	Grow and transform the profession
W	Work quicker, qualitatively better and more efficiently

STRATEGIC RISK DASHBOARD**OPERATIONAL RISK WITH STRATEGIC IMPACT DASHBOARD**

CONTROL EFFECTIVENESS RATING	Total	%
Insufficient	0	0%
Weak	2	12%
Good	14	82%
Very Good	1	6%
Total	17	100%



RESIDUAL RISK	Total	%
Low	0	0%
Moderate	5	29%
High	11	65%
Extreme	1	6%
Total	17	100%



CRITERIA FOR INHERENT RISK ASSESSMENT

IMPACT/CONSEQUENCE

		INSIGNIFICANT	MINOR	MODERATE	MAJOR	CRITICAL
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

INHERENT RISK

RESIDUAL RISK

LIKELIHOOD/CONSEQUENCE







RATING OF CONTROL EFFECTIVENESS

		VERY GOOD	GOOD	WEAK	INSUFFICIENT
Extreme	Extreme	Moderate	High	Extreme	Extreme
High	High	Low	Moderate	High	High
Moderate	Moderate	Low	Low	Moderate	Moderate
Low	Low	Low	Low	Low	Low

RESIDUAL RISK STATUS DESCRIPTION










	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
	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
	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
	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

STRATEGIC RISK REGISTER AND COMBINED ASSURANCE PLAN







	MATERIAL MATTER	STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	RISK DESCRIPTION	CAPITAL	INHERENT RISK	RESIDUAL RISK
FS1		 MEMBER VALUE	Ensure financial sustainability (FS)	Unable to serve SAICA members resulting in SAICA ceasing to exist	Financial	Extreme	High
PSV1			Ensure the premiership status and value of the profession for members (PSV)	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 Financial	Extreme	High
TC1	 	 RELEVANCE AND REPUTATION	Enhance trust and credibility of the profession in the economy and society (TC)	No reliance on SAICA opinions and negative rating of the impact of the profession by decision-makers	Social and Relationship	High	Moderate
TC2				Loss of confidence in members' professional competences (including their conduct in terms of the Code of Professional Conduct and competences required by CA2025) and skills	Social and Relationship	Extreme	High
TC3				Loss of confidence in SAICA's educational programmes, that they will not produce students with the competences required by training offices and the market, resulting in SAICA's inability to attract new members	Social and Relationship	Extreme	High

LOW	MODERATE	HIGH	EXTREME
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	LEVELS OF ASSURANCE						
EXISTING CONTROLS / MITIGATING ACTIONS (Strategic objectives and related performance measures are tracked in real time and mitigating actions put in place immediately)	1	2 (ER)	2 (CG)	3	4 (EA)	4 (ES)	5
1. Engage members on SAICA's value proposition 2.1 Engage trainees and training offices on benefits of SAICA-accredited training 2.2 Support initiatives to enhance throughput pass percentages 2.3 Maintain long term contracts with funders 3. Implement effective financial controls to enhance cost efficiency through initiatives	✓	✓	✓	✓	✓	✓	✓
1. Continuous in-depth monitoring of initiatives that are intended to enhance the value of the profession through independent feedback (PHI – accessibility, employability, leadership, inspirational) and timely intervention on negative trends. 2. Ongoing collaboration with international institutes to meet and exceed international best practice 3. Continuous, effective and differentiating marketing, communication and public relations activities as part of the trust reconstruction campaign, locally and internationally 4.1 Implementation of the CA2025 programme outcomes and CA of the Future 4.2 Adaptation of CPD offerings to include topics on technological advancements 5. Implementation and monitoring of member services through independent feedback (PHI – member satisfaction) and timely intervention on negative trends	✓	✓	N/A	✓	✓	✓	✓
1.1 Continuous in-depth monitoring, tracking of trust and credibility of the profession in the economy and society through independent feedback (social involvement and social contribution indices) and timely intervention on negative trends 1.2 Continuous, effective, and differentiating marketing, communication and public relations activities. (#Professionofnationalvalue) 1.3 Effective stakeholder engagement 2.1 Continuous in-depth monitoring and tracking of the profession's activities contributing to the economy and society through independent feedback (integrity and market trust) and timely intervention on negative trends 2.2 Showcase the profession's contribution to the SA economy and society through publishing Thought Leadership articles 3.1 Effective member compliance process which identifies areas of non-compliance and puts in place measures to correct any negative trends 3.2 Effective collaboration with relevant institutes in offering specific ethics-related learning interventions 4.1 Effective and efficient SAICA disciplinary process through effecting changes to by-laws to speed up disciplinary processes 4.2 Publishing outcomes of the disciplinary action taken	✓	✓	N/A	✓	✓	✓	✓
1. Continuous review of SAICA's competency framework and the implementation of the CA2025 outcomes 2.1. Continuous development and delivery of effective member education and training programmes, particularly non-technical training courses 2.2. Continuous, effective and differentiating marketing, communication and public relations activities as part of the trust reconstruction campaign, locally and internationally 3.1. Education of students, trainees and members about their responsibilities to ensure that they are professionally competent 3.2. Implementation of SAICA's recently approved CPD policy 3.3. Continuous in-depth monitoring, tracking and timely intervention on members' (non)compliance trends	✓	✓	✓	N/A	✓	✓	✓
1.1 Continuous review of SAICA's competency framework and the implementation of the CA2025 outcomes 1.2 Review of SAICA's training regulations ensuring effective implementation thereof through training and monitoring of training offices 1.3 Continuous, effective and differentiating marketing, communication and public relations activities as part of the trust reconstruction campaign, locally and internationally	✓	✓	N/A	N/A	N/A	N/A	✓

	MATERIAL MATTER	STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	RISK DESCRIPTION	CAPITAL	INHERENT RISK	RESIDUAL RISK
CI1		 RELEVANCE AND REPUTATION	Promote common interest of members and associates nationally and internationally (CI)	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	Social and Relationship Intellectual	High	Moderate
CI2	 			Members and associates losing their accreditation to perform regulatory functions through the repeal of applicable regulation (CA(SA) Designation Act, APA, etc.)	Social and Relationship Intellectual	Extreme	High
GT1	 	 GROWTH AND TRANSFORMATION	Grow and transform the profession (GT)	Loss of strategic stakeholder (government and funders) confidence and inability to attract funding for growth and transformation initiatives	Social and Relationship Financial	Extreme	High
GT2	 			Ineffective management of the perception of the lowering of qualifying criteria and standards as a result of the transformation programme	Social and Relationship	High	Moderate

EXISTING CONTROLS / MITIGATING ACTIONS (Strategic objectives and related performance measures are tracked in real time and mitigating actions put in place immediately)	LEVELS OF ASSURANCE						
	1	2 (ER)	2 (CG)	3	4 (EA)	4 (ES)	5
1.1 Continuous in-depth monitoring of stakeholder perception through independent feedback (annual stakeholder survey score) and timely intervention on negative trends 1.2 Ongoing collaboration and effective engagement with a wide range of stakeholders (Stakeholder Engagement Plan) 2. Develop continuous thought leadership material and facilitate dialogue with members and stakeholders on critical matters affecting the profession and South Africa 3. Continuous, effective, and differentiating marketing, communication and public relations activities. (#Professionofnationalvalue)	✓	✓	N/A	N/A	✓	✓	✓
1. Engage members on their needs and requirements through member engagement initiatives (surveys, face to face, regional councils and constituency groupings) 2.1 Continuous in-depth monitoring of regulator perception through independent feedback (annual stakeholder (by regulators) survey score) and timely intervention on negative trends 2.2 Ongoing collaboration and effective engagement with regulators (Stakeholder Engagement Plan)	✓	N/A	✓	✓	✓	✓	✓
Continuous monitoring and tracking of growth and transformation initiatives and throughput pass percentages including: 1.1 Thuthuka camps focused on attracting the top maths performers in the country 1.2 Support programmes to drive improved mathematics results to increase student pipeline 2.1 Wrap-around support interventions at undergraduate and CTA levels 2.3 ITC and APC support programmes 3.1 Alliances with strategic partners to deliver career awareness initiatives 3.2 Mobilise members, trainees and stakeholders for increased participation in profession-wide career awareness 3.3 Continuous in-depth monitoring of the effectiveness and impact of marketing, communication and public relations activities and timely intervention on negative trends 3.4 Continuous in-depth monitoring, tracking and reporting on students who identify SAICA initiatives as a career influencer through independent feedback of a first-year survey at the universities and timely intervention on negative trends 3.5 Showcase members' contribution to the SA economy and society through publishing Thought Leadership articles on, for example, articles on the national transformation matters and SDGs (Nation Building impact report) 4. Increased number of accredited training and higher education providers for all SAICA designations 5. Leading and influencing the education and training landscape 6.1 Enter into long term contracts with funders 6.2 Funding of students from households with an income of R0 – R350 000 in collaboration with a strategic alliance partners 7.1 Continuous in-depth monitoring of stakeholder perception through independent feedback (annual stakeholder survey score) and timely intervention on negative trends 7.2 Ongoing collaboration and effective engagement with a wide range of stakeholders (Stakeholder Engagement Plan)	✓	✓	N/A	N/A	N/A	N/A	✓
1.1 Continuous tracking of perceptions and engagement of members and stakeholders of the SAICA education and training process and the transformation and growth programme 1.2 Proactively engage with disgruntled members and stakeholders on the credibility of SAICA's education and training process and the transformation and growth programme	✓	✓	N/A	✓	N/A	✓	✓

	MATERIAL MATTER	STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	RISK DESCRIPTION	CAPITAL	INHERENT RISK	RESIDUAL RISK
W1		 INTERNAL EFFICIENCIES	Work quicker, qualitatively better and more efficiently (W)	Risk of cyber crime leading to downtime	Intellectual	Extreme	High
W2				Non-compliance with laws and regulations pertaining to processing, storing, securing and sharing of data	Intellectual	Extreme	High
W3				Loss of credibility amongst stakeholders (resulting in loss of funding and relationships) (partnerships and alliances) due to an unfavourable B-BBEE rating	Social and Relationship Financial Capital	High	High
W4				Failure to support Board and Board sub-committees in line with governance best practice through: • Effective internal processes • Compliance with legislation, regulation, Acts relevant to the business of SAICA and its controlled entities • Implementation of all SAICA strategic projects	Intellectual Social and Relationship	High	Moderate
W5				Inability to continue business in the event of an emergency or disaster	Manufactured Financial Human Capital Social and Relationship	Extreme	High
W6	 	 INTERNAL EFFICIENCIES		There is a risk of business disruptions caused by the COVID-19 pandemic across the globe resulting in a potential global recession and SAICA's inability to continue business	Manufactured Financial Human Capital Social and Relationship	Extreme	High
HC1			Empower, engage human capital to create an engaged and transformed organisation	There is a risk of organisational underperformance	All capitals	Extreme	Moderate

EXISTING CONTROLS / MITIGATING ACTIONS (Strategic objectives and related performance measures are tracked in real time and mitigating actions put in place immediately)	LEVELS OF ASSURANCE						
	1	2 (ER)	2 (CG)	3	4 (EA)	4 (ES)	5
1.1 Ensure up-to-date upgrades and maintenance of SAICA's defence, recovery and business continuity systems	✓	✓	N/A	✓	✓	✓	✓
1. Constant monitoring of areas of non-compliance, documenting and implementing action plans 2. Implement and monitor data management measures (including GDPR/ POPI Project, Data Governance Policy, Contract Management Policy, Contract Management Framework with standard data protection clauses included in current process, and Data Sharing Project)	✓	N/A	✓	N/A	N/A	N/A	✓
1. Continuous monitoring and tracking of set B-BBEE targets and timely interventions on exceptions 2. Updating of policies to reinforce B-BBEE principles and practices and consequences for non-compliance with policies.	✓	✓	✓	N/A	✓	N/A	✓
1. Implementation of the revised governance model and framework 2.1 Document key processes 2.2 Streamline automation in line with documented processes 3.1 Implementation of the compliance programme 3.2 Constant monitoring of areas of non-compliance, documenting and implementing action plans 3.3 Reporting to the relevant regulatory institutions as required by relating legislation 4.1 Ensure effective coordination of strategic projects and performance reporting. 4.2 Adoption of the project management methodology across SAICA	✓	✓	✓	✓	✓	✓	✓
1–2. Implement Business Continuity Management Policy and Framework, Business Continuity Plan and Disaster Recovery Plan	✓	✓	N/A	✓	N/A	✓	✓
1.1. Set up a cross-functional COVID-19 response team. BCM teams including the Emergency Response, Crisis Management and BCM coordinating teams and champions to drive this response team. Set up workstreams to focus on: • Employees' health, welfare, and ability to perform their roles • Availability of tools to work from home and technical support • Development of a contingency plan including financial considerations; • Procurement process monitoring • Increasing seminar offerings online through webcasts and podcasts • Marketing and communication – coordination and communication with relevant stakeholders	✓	✓	✓	N/A	✓	N/A	✓
1. Timely filling of senior management vacancies 2. Implement an approved talent and succession management framework with emphasis on: • Attraction, development and retention to inform better usage of internal skills and pipeline management • Determining SAICA's critical/core skills and roles and critical employees that SAICA wishes to retain • Identify successors with supporting development/coaching plans through applicable assessments • Implementation of initiatives to address concerns coming from the staff engagement survey 3. Effective performance management process (tracking and monitoring of performance trends)	✓	✓	✓	✓	N/A	✓	✓



HOW WE CREATE VALUE

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OUR 2021–2023 STRATEGY

The strategic review that was underway at the start of 2020 was refreshed to take into account the further impact of COVID-19 on the country, the profession and the Institute. A comprehensive environmental scan and diagnostic review was conducted to understand SAICA's current internal state, the external environment and the impact of the COVID-19 pandemic, and to identify key internal and external issues facing SAICA. The process

aimed to help SAICA leadership to answer the question: 'How do we position SAICA's FY2021–FY2023 strategy for post-pandemic success?'

The review scanned the external and internal environments at SAICA to identify the impact of risks and opportunities on our value creation model and capitals, and formed the basis of our risk and opportunity identification.

EXTERNAL ENVIRONMENT SCAN

Included a macro-environmental PESTEL³ analysis and desk research covering an analysis of global and local trends to gain insight into best practices before, during and after COVID-19. These trends are discussed in the 'Operating context' section on page 24.

The CEO roadshows held in July 2020 obtained insights from members regarding their needs and wants to inform the strategy.

INTERNAL ENVIRONMENT SCAN

Analysed the results of a 2019 employee survey and a strategy-specific employee survey run in 2020 to probe key strategic issues. Further insights into survey responses were obtained through a focus group with a representative sample of employees, as well as individual diagnostic interviews with members of the Executive and Management committees.

A strategic planning session was held with the Management Committee in June 2020 to discuss insights arising from the review of performance to date that identified the key strategic themes for the 2021–2023 strategy. A further strategic planning session was held with the Management Committee and the Board. SAICA's Regional and National Councils also provided input to establish overall 2021 objectives.

The strategy planning sessions concluded that while the existing strategic pillars remained relevant, they needed to be streamlined and adjusted, to reposition priorities and actions in the context of a changed environment. The 'Internal Efficiencies' pillar was renamed 'Organisational Sustainability'.

The strategic pillars are supported by eight strategic objectives and each objective is underpinned by strategic

initiatives to ensure execution and to close the gap between a measure's performance and its target.

SAICA's strategic intent was refined to 'To contribute to sustainable economies through developing responsible and ethical leaders'.

The internal scan highlighted the need for organisational cultural transformation, digital transformation and an improved focus on people and members to better align with the changed context. This internal transformation will support improved resilience and agility in a post-pandemic world.

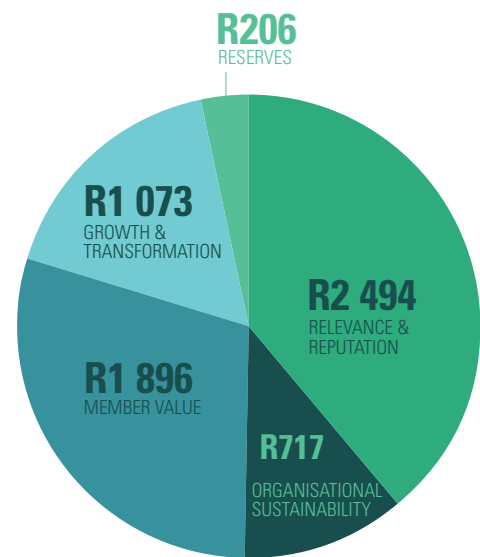
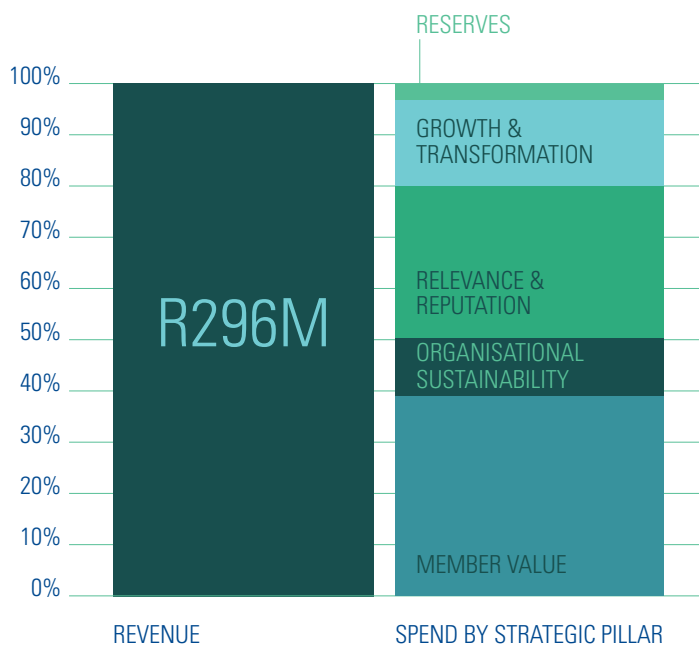
24 strategic initiatives were identified to drive the execution of SAICA's strategy.


















³ An analysis of South Africa's professional services industry to understand the political, economic, social, technological, environmental and legislative landscape influencing SAICA.











BUDGETED RESOURCE ALLOCATION

REVENUE SPEND BY
STRATEGIC PILLAR

R 6 386
MEMBER FEE SPLIT



STRATEGIC PILLARS	STRATEGIC OBJECTIVES	STRATEGIC OUTCOME	STRATEGIC INITIATIVES	CAPITALS AND MATERIAL MATTERS
MEMBER VALUE				
Improving member value is central to SAICA's success, and offerings should cater to all members. We need to understand what members want and clarify membership benefits/value propositions to address those needs effectively Ensure that members are agile and resilient, by considering how to achieve SAICA goals through its membership base	1. Deliver member value by promoting the premiership status of the CA(SA) designation and enhancing the member value proposition	Strong brand: To ensure that the profession has business value, it is admired and that SAICA is a reputable organisation that drives well-respected brands (CA, AGA, AT). All members understand and buy into the need and relevance of belonging to a professional body	<ul style="list-style-type: none">• Implement the Learning and Development Platform• Revamp the SAICA website• Member reach and member profiling initiatives• Member engagement initiatives and support• Implement the Pathway to Relevance framework• Stakeholders' engagement initiatives	CAPITALS   MATERIAL MATTERS 
	2. Promote the common interest and professional competence of members and associates, nationally and internationally	Competency: Developing a shared set of professional competences. Professional competence is knowledge, skills, attitudes and values. These competences include: <ul style="list-style-type: none">• Professional skills and values (ethics, lifelong learning, citizenship)• Enabling competences (decision-making, business acumen, digital acumen, relational acumen)• Technical competences		CAPITAL  MATERIAL MATTERS    
RELEVANCE AND REPUTATION				
Building trust and ethical conduct are key focus areas for the organisation to address a perceived failure in historical disciplinary SAICA's reputation is a key driver for attracting and retaining members, and correcting past reputational damage is a priority SAICA must ensure that it remains relevant in times of inequality and unemployment, both for its members and wider society	3. Enhance trust, ethical conduct and the 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)	<ul style="list-style-type: none">• Integrated ethics plan• Optimise disciplinary procedures• Implement SDG initiatives• Audit reform initiatives• Unite4Mzansi• Courageous Conversations• Government-assistance programmes• Effective communication strategy	CAPITAL  MATERIAL MATTERS      
GROWTH AND TRANSFORMATION				
SAICA's continued growth and transformation requires that we 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 Leverage technology to support accreditation of institutions to grow and transform the membership base	4. Grow and transform the accountancy profession	The profession has a presence in schools to increase the member pipeline. Increased number of accredited training and higher education providers for all SAICA designations is crucial	<ul style="list-style-type: none">• Schools and tertiary institution engagement• Thuthuka programmes• Digitisation of Grades 10–12 accounting textbooks• Common CTA for Historically Disadvantaged Institutions	CAPITAL  MATERIAL MATTERS 

STRATEGIC PILLARS	STRATEGIC OBJECTIVES	STRATEGIC OUTCOME	STRATEGIC INITIATIVES	CAPITALS AND MATERIAL MATTERS
ORGANISATIONAL SUSTAINABILITY				
<p>The COVID-19 pandemic highlighted the need for introspection around organisational sustainability, challenging SAICA to become faster and more agile to deliver member value, achieve relevance and impact on society</p> <p>This requires that we reduce existing divisional silos, embark on a cultural transformation journey and review the organisation's structure to ensure it is still fit for purpose</p>	5. Achieve financial sustainability as an organisation	Achieve the budgeted surplus, as well as healthy solvency and liquidity ratios	<ul style="list-style-type: none"> • Manage working capital and investments • Digital transformation • Review the employee value proposition • Talent management • Improve organisational culture • Improve SAICA's B-BBEE score 	CAPITAL 
	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		CAPITALS  
	7. Empower human capital to enhance innovation and engage employees to create a more engaged organisation	By elevating the 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 organisation by building a culture that allows experimentation where people adopt a 'fail fast and pivot swiftly' mentality		CAPITAL   MATERIAL MATTERS    
	8. Transform the organisation	See the table below		CAPITAL 

WHAT TRANSFORMATION MEANS FOR SAICA

INTERNAL TRANSFORMATION	EXTERNAL TRANSFORMATION
<ul style="list-style-type: none"> • Improve SAICA's B-BBEE score. • Improve gender representation to 50/50. • Cultural transformation to create a more inclusive culture that is more collaborative, agile and resilient. • Skills transformation through a SAICA skills assessment to identify and address key skills gaps. • Digital transformation – embracing digital transformation for external excellence, where existing systems must be challenged and initiatives moved to digital platforms. 	<ul style="list-style-type: none"> • Grow and transform the membership of SAICA to reflect the demographics (race and gender) of the economically active population. • Address rising inequalities in the country and its impact on the talent pipeline. • Introduce mentorships 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 include 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 four-year degree. • Transforming the reputation, ethos and culture from 'elitist or profit generation' to service and societal improvement.

THE UN SDGs



SUSTAINABLE DEVELOPMENT GOALS

The 17 SDGs and 169 associated targets to 2030 address the full range of social- and economic-development issues facing people around the world, including finding solutions for poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, environment and social justice. Together, they provide governments, businesses and civil society with a universal roadmap to tackle urgent challenges, meaningfully engage with emerging risks and discover new opportunities for creating value.

As 'a profession of national value', the accounting profession has a key role to play in solving some of society's most pressing problems. As SAICA we have united around the SDGs to deepen the country's understanding of the challenges, opportunities and dynamics that can be leveraged to accelerate and prioritise the delivery of the SDGs.

In February 2020, One Young World, Chartered Accountants Worldwide and SAICA launched FinBiz2030, an initiative to unite and mobilise the finance and business community to achieve the Sustainable Development Goals (SDGs) by 2030. The launch brought together the finance and business community as a force for change, to identify the opportunities and encourage a commitment to tackle the issues we face and achieve the long term SDG goals.

SAICA is working with Sustainable SA, an organisation invested in promoting the SDGs, to launch a drive that focuses on educating society about the SDGs.

The focus of FinBiz2030 will start with four goals in the infographic below.

Several SAICA-related initiatives already contribute to these goals. For example, round one of the SA Maths Foundation's Maths Olympiads has started and will reach approximately 20 000 learners in support of Goal 4.

SAICA's Enterprise Development Phila Sizwe ('healthy nation' in isiZulu) collaboration with the Association for the Advancement of Black Accountants of Southern Africa (ABASA), FNB and Fetola is supporting Goal 8 by helping small businesses with pro-bono professional services from 298 SAICA member volunteers and the Business Emergency Room also served the same purpose.

Awareness regarding the goals will be promoted through the Leaderex gatherings and Unite4Mzansi™ movement, which both support Goal #16 – Peace, Justice and Strong Institutions.

SAICA's 2020 *SA's Chartered Accountancy Profession and the UN SDGs* report showcases how the chartered accountancy profession is supporting the SDGs through projects run by the Institute, corporate firms and individual members. The report illustrates the unique challenges posed by the SDGs on a global and local front and celebrates the unique contributions of individuals and companies as they pertain to the global goals.

Through the voluntary contributions of our members and associates, SAICA has, for the third year running, extracted key learnings that can help build the momentum required across the sector. The report is available at www.saicasdg.co.za.



VALUES AND ETHICS

An ethics programme is currently underway to institutionalise ethics across the SAICA Group to enhance strategy execution. Parallel projects in the Group include the overall culture change of SAICA internally and the integrated ethics project (page 67) which focuses on member ethics.

In 2019, a Values Workshop was held with all SAICA employees to formulate SAICA's new values.

MEMBER CENTRICITY	Ensuring a positive member experience by striving to exceed expectations
INTEGRITY	Demonstrating sound moral and ethical principles in everything we do
ACCOUNTABILITY	Accepting full responsibility for the outcomes of your actions
PROFESSIONAL BEHAVIOUR	Abiding by laws, regulations and policies and refraining from any conduct that would bring SAICA and the profession into disrepute
RESPECT	Holding the Institute and each other in high regard
TRANSPARENCY	Encouraging an open and honest environment

The Employee Code of Ethics sets out the foundation of ethical behaviour within the SAICA Group by articulating SAICA's ethical aspects and the above core values. The Employee Code of Conduct acts as a guideline for the required ethical behaviour expected from SAICA employees and any other relevant stakeholders.

The Employee Code of Ethics and Employee Code of Conduct were circulated to staff in September 2020 and officially launched by the CEO, who invited employees to join him in adopting the ethical standards and values on a voluntary/symbolic basis. To date 101 employees voluntarily demonstrated their adoption of SAICA's Employee Code of Ethics and their commitment to endorse SAICA's Core Values and Ethical Aspects, as reflected in the Employee Code of Ethics.

The Employee Code of Conduct forms part of SAICA's Conditions of Employment and, together with the Employee Code of Ethics, is included in SAICA's New Employee Engagement Pack to ensure that employees who join SAICA are made aware of SAICA's core values and expectations with regard to ethical conduct.

Measures have been designed and implemented to

prevent and detect bribery, corruption, fraud and any other unlawful activities, which apply to its Board members, prescribed officers, employees, SAICA's controlled entities and their employees, and any contractual agreements with third parties.

Trends in ethical behaviour can be identified through ethics risk assessments, the conflict of interest register (including private work and gifts), training and Deloitte's Tip-Offs Anonymous Hotline.

THE FRAUD PREVENTION POLICY AND WHISTLEBLOWING PROCESS

SAICA's zero tolerance to bribery, corruption, fraud and any other unlawful activity is clearly articulated and visible in its Fraud Prevention Policy, which allows for the authority to report matters to internal audit, the Audit and Risk Committee and the SAICA Board. Management on a quarterly basis reports all matter of non-compliance to the SAICA Group Audit and Risk Committee, which has ultimate oversight of fraud prevention and whistleblowing on behalf of the Board. A formal documented whistleblowing process is in place that has been communicated to staff.

SAICA uses the Deloitte Tip-Offs Anonymous Hotline and ongoing awareness campaigns, staff communications and members' notifications are circulated regarding the facility.

CONFLICT OF INTEREST AND GIFT POLICY

SAICA's Conflict of Interest Policy includes the Gift policy, which is designed to assist employees in identifying situations that could present a real or perceived conflict/s of interest and provides SAICA with a procedure to mitigate the relevant risk. The policy provides specific guidance in terms of outside interests and/or activities, gifts, gratuities, entertainment, private work and confidentiality.

Training material has been developed for the Employee Code of Conduct, Fraud Prevention Policy and Whistleblowing Process, and training was rolled out in the last quarter of 2020.

PricewaterhouseCoopers (PwC) conducted an Ethics Culture Survey in October 2017 on instruction of SAICA. SAICA's current internal audit service provider performed a follow-up review of SAICA ethical culture during June 2020 to provide reasonable assurance to management and the Group Audit and Risk Committee that corrective action plans as previously indicated by management have been implemented and are adequate, effective and functioning efficiently. The audit found that the ethics processes have been adequately developed and rolled out.

OPERATING MODEL

SAICA's Members and Global Alliances division drives member representation, value provision and support and the Nation Building division manages the qualification and training of new members and the transformation of

the industry, and houses the donor-funded initiatives that drive social contribution. These functions are facilitated by the Brand division and supported by the Legal and Governance, and Corporate Services divisions.

OFFICE OF THE CHIEF EXECUTIVE OFFICER

BRAND	STRATEGY	SEMINARS & EVENTS	LEGAL & GOVERNANCE
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MEMBERS AND GLOBAL ALLIANCES

MEMBER ENGAGEMENT	TAX AND TAX LEGISLATION	ASSURANCE AND PRACTICE	PUBLIC SECTOR	CORPORATE REPORTING
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NATION BUILDING

PROFESSIONAL DEVELOPMENT (CA, AGA, AT)	TRANSFORMATION & GROWTH	NATIONAL IMPERATIVES
EDUCATION	THUTHUKA EDUCATION UPLIFTMENT FUND (schools, university and Thuthuka Bursary)	SMME SUPPORT (The Hope Factory and SAICA Enterprise Development)
EXAMS		SPECIAL PROJECTS (include TVET college and Health Department capacitation projects)
TRAINING	IKUSASA STUDENT FINANCIAL AID PROGRAMME	ADVOCACY AND POLICY REFORM PROJECTS (projects focusing on governance, ethics and anti-corruption such as Courageous Conversations, the CA Charter, SDGs and more)
RECOGNITION AND RECIPROCITY		

OFFICE OF THE CHIEF OPERATING OFFICER

FINANCE	IT	HUMAN RESOURCES	FACILITIES
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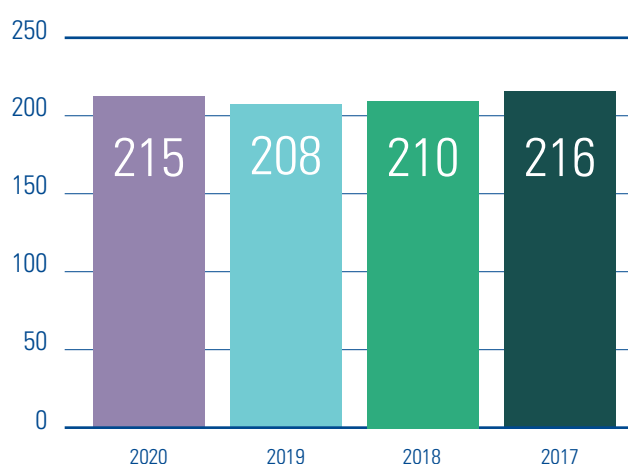
HUMAN CAPITAL

STRATEGIC PILLARS

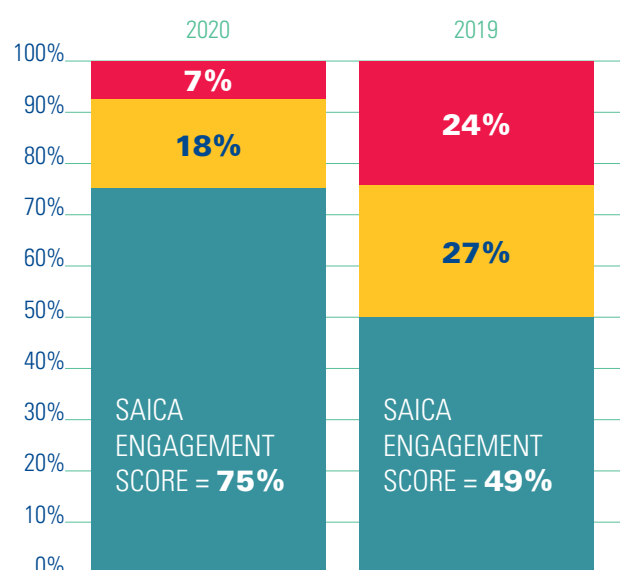


SAICA's ability to deliver on its strategy depends on effective hiring, skills development and retention of high-performing employees. The damage to SAICA's reputation over the last few years had a negative impact on our human capital, with resignations removing institutional

SAICA HEADCOUNT



EMPLOYEE ENGAGEMENT SURVEY



CALCULATED ON THE WEIGHTED AVERAGE ACROSS THE RATING SCALE (1 – 5)

DISENGAGED = RATINGS
1 + 2 (STRONGLY DISAGREE
+ DISAGREE)

NEUTRAL = RATINGS
OF 3 (NEITHER AGREE
NOR DISAGREE)

ENGAGED = RATINGS
4 + 5 (STRONGLY AGREE
+ AGREE)

MATERIAL MATTERS



memory and some positions left vacant for extended periods, affecting delivery and morale.

SAICA's human capital initiatives are overseen by the Human Resources and Remuneration Committee and implemented by the HR function. Our goal is to build a leadership brand that attracts the best calibre candidates while enhancing the performance culture and linking it to reward and recognition to enable an environment where people are engaged to serve and grow.

At 31 December 2020, SAICA had 215 staff members (2019: 208), 71% of whom are women and 78% are deemed HDSA. Staff turnover stabilised during 2020 and several key positions were filled, including that of the CFO, CIO and Executive Director: Member and Global Alliances. There were seven resignations. The 2019 employee engagement survey attained a 94,5% response rate and 49% of respondents responded that they were engaged, while 27% were neutral. The 2020 employee engagement survey attained a 99,1% response rate and 75% of respondents indicated that they were engaged, while 18% were neutral.

The internal scan conducted for the strategy review included a further employee survey that covered employees' assessments of SAICA's response to the COVID-19 pandemic and lockdown, followed up on themes identified in the 2019 employee engagement survey, and solicited employees' inputs for the strategy session. 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 Executive Committee reviewed the staff engagement survey feedback and identified five action points to improve employee engagement at SAICA.

1.	Succession planning for all levels of staff	Both to be addressed by the Human Resources plan as part of the talent management initiative
2.	Developing and implementing a clear talent management strategy	
3.	Addressing limited opportunities for promotion	Both to be addressed by the Employee Value Proposition initiative
4.	Realising returns on investments in staff development by using developed skills more effectively	
5.	Upskilling staff for 4IR and recognising and providing opportunities for innovation	SAICA's digital transformation initiatives, including the Ushintsho project, will address this area of improvement

The process indicated the need to prioritise SAICA's cultural transformation. Focus group participants indicated that the biggest challenges to living up to the organisation's strategic intent and value proposition are:

- Indecisive leadership
- Structural changes when new leaders are appointed
- Being caught between member and public interest

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

with employees. 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. There is a pressing need for more integration and collaboration 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.

COVID-19 RESPONSE

When news of COVID-19 first arrived in the country, SAICA established a cross-functional COVID-19 response team with the work streams (business continuity management (BCM) coordination, emergency response and crisis management teams) to drive the organisation's response.

SAICA's Executive Committee invoked the business continuity plan (BCP) on 18 March 2020, ten days before the national lockdown. Incidentally it emerged that an employee might have been in contact with someone who was potentially positive for COVID-19. The Head Office building was evacuated and preparations were made for remote working from 18 March 2020. Employees moved to remote working with immediate effect and all travel, and in-person seminars and events were cancelled. Employees were supplied with the ICT tools they needed

and a Work From Home procedure was implemented.

A mental health support program was initiated by the HR department along with physical health guidance. For those who had to go into the offices, we implemented the necessary controls and processes to ensure that the Occupational Health and Safety and COVID-19 protocols were observed at all times as laid out in the guidelines by the NICD and the WHO.

When the lockdown eased, we ensured that all SAICA offices were compliant and safe for staff to return to work. The necessary risk assessments were performed and a return to work guideline was developed that provided for a staggered return of employees to ensure their health and safety in terms of the applicable compliance obligations.

While no incidents occurred at the SAICA premises, sadly we lost one employee to COVID-19 and several others contracted the virus.

SAICA's remote working guidelines are proving to be effective and all HR policies related to the new normal are being finalised. The majority of SAICA's staff are knowledge workers and consequently remote working does not negatively affect delivery on SAICA's individual, divisional and organisational objectives. SAICA's business operations are and continue to be digitally enabled. SAICA is adopting a blended approach to its operating model that combines remote work and working from the physical SAICA offices when necessary to increase resilience and mitigate future disruptions.

Despite the disruptions caused by COVID-19, most of the projects in the HR plan were successfully implemented,

including succession planning, salary benchmarking, study grants processing and mid-year reviews. There was a significant drive around employee personal development plans (PDPs) and training is currently being planned to action these. The Leave policy was aligned to best practice to strengthen SAICA's Employee Value Proposition. The Board approved the design and implementation of a long term incentive plan which will assist in staff retention to enable sustainable delivery of long term programmes. Projects that required face-to-face interaction, such as our leadership development initiatives, could not be implemented.

BRAND INITIATIVES

STRATEGIC PILLARS



The Brand division implements SAICA's integrated marketing and communication plan to promote the reputation of SAICA's three designations as well as the reputation of the Institute and the profession.

The country's faith in the ethics and professional standards of the CA profession has been eroded by numerous high-profile cases of alleged CA(SA) malfeasance. SAICA's marketing and communications focus is to rebuild the reputation of the profession (#trustleadership) and grow the perception of the profession as a profession of national value (#aprofessionofnationalvalue). During 2020 the Brand division prepared a ten-point SAICA reputation management and communication plan which was approved by the SAICA Board and fully implemented by the end of the year. Promoting SAICA's designations and in particular the CA(SA) brand reinforces the profession's relevance and reputation and creates value for members by promoting trust in and admiration of CAs(SA) in order to facilitate members' reputation as well as employability in the marketplace.



MEMBER VALUE



RELEVANCE AND REPUTATION

COMMUNICATIONS

The trust reconstruction strategy in particular focuses on thought leadership and member profile articles that position the profession's dynamic young leaders as brand ambassadors. Communication of the outcome of SAICA's disciplinary processes is also critical in rebuilding trust in the reputation of the profession. SAICA builds relationships with media, including regular meetings between prominent media editors and the SAICA CEO, to ensure balanced exposure in top-tier media such as print, broadcast (radio and television) and digital media. In 2020, 52,5% of total coverage was in top-tier publications, with a total number of 1 725 media exposures achieved. Of these, 1 633 exposures were positive and only 92 were negative exposures (5,3% of total exposure), indicating that positive media exposure relating to SAICA and/or our members far outweighed the negative media exposure.

This year, we broadened our engagements to include civil society organisations and shifted from mainly member-interest communications to a more public-interest focus, while retaining a member focus. We also enhanced SAICA's public policy and engagement capacity, and member communications improved as a result.

MATERIAL MATTERS



COVID-19 IMPACT

While it was challenging to convert overnight to totally digital communications, the Brand team performed admirably in continuing to deliver communications to members at the start of lockdown. The focus of content shifted to information that provided members with the insights they needed to operate during the lockdown. We created a new microsite to house all SAICA's COVID-19-related content and implemented the Leadership in a Time of Crisis webinar series, which was very well received. SAICA generated a total of 216 external media exposures for content relating to COVID-19.

MARKETING

SAICA's marketing initiatives showcased the value of all three designations and promoted their respective brand equity and relevance according to a differentiated brand architecture to appropriately position the designations in the marketplace.

Promotion of the CA(SA) designation predominantly takes place by partnering with business media and other key stakeholders to demonstrate the value of CAs(SA) as strategic business leaders, influencers and valuable contributors to the economy and society.

The marketing strategy for AGA(SA) and AT(SA) focuses on raising awareness among potential candidates and prospective employers to position the value of hiring these designation holders to key positions in the finance departments in organisations. Promotions included print, broadcast and digital media. Brand awareness for the AGA(SA) and AT(SA) designations continues to improve and new AGA(SA) registrations increased.

Strategic youth campaigns promote CA(SA), AGA(SA) and AT(SA) as career paths of choice to sustain the pipeline of future SAICA members and support SAICA's Transformation and Growth strategic pillar. In 2020, SAICA delivered media campaigns with 12 395 schools reached by direct media interventions. Further, through virtual campaigns, 2 975 South African schools were reached. University students studying for a BCom CA-stream degree at all 21 to SAICA-accredited institutions of higher learning were also reached through virtual campaigns.

BRAND STATUS MONITORING

SAICA monitors, on an annual basis, the impact of external market factors as well as the effect of its own brand reputation management on the reputation of the

CA(SA) designation using independent brand research conducted by Ask Afrika. The research covers business decision-makers across all sectors of the business market in South Africa.

SAICA has achieved the following value creation impact regarding intellectual capital output in 2020 for enhancing the relevance and reputation of the profession:

- Attractiveness of the profession:
 - o Professional Health Index (PHI)¹ access Index¹ 87% (2019 – 87%)
- Relevance and reputation of the profession
 - o PHI – Brand Admiration Index² 77% (2019 – 95%)
- Membership satisfaction
 - o PHI – Member Satisfaction Index³ 64% (2019 – 62%)
- Brand strength of the CA(SA) designation⁴
 - o Spontaneous Awareness Index 90% (2019 – 87%)
 - o Preference in Employees Index 74% (2019 – 67%)
 - o Net Promotor Score (NPS) Index 37% (2019 – 36%) (NPS is the rating of respondents who encourage their children to become a CAs(SA))
 - o Trust Index 84% (2019 – 80%)
 - o Admiration Index 68% (2019 – 68%)

KEY:

1. Learners, students and trainees
2. All stakeholders
3. Members
4. Business decision makers

All indicators, except awareness, declined from 2017 to 2018 when negative publicity around the auditing profession started occurring. Since 2019 the lead indicators have recovered as a result of SAICA's Trust Restoration Strategy which constitutes our brand reputation management activities.

The important lead indicators have risen since 2018 despite ongoing historical and new negative publicity around the profession. The lag measure that has not shown satisfactory growth in the last two years is the Brand Admiration Index, which is arguably the most important measure of the standing of the CA(SA) brand among business decision-makers. This measure is still being impacted by the ongoing negative publicity despite the positive trend in the other lead indicators.

SAICA is confident that over time the CA(SA) brand admiration will improve as a result of our trust reform promotion activities. This recovery will however be slow or static whenever new negative publicity surfaces.

The CA(SA) brand is improving and is not as dire as some members believe and SAICA will continue to proactively manage the reputation of the CA(SA) designation. It is also important that members are positive about their designation, as they are the most powerful drivers of the CA(SA) designation's positive brand reputation.

DIGITAL AND PUBLISHING

SAICA's social media and publishing team engages members and the public through digital and social media channels, including the SAICA website and the digital *Accountancy SA* magazine.

The strategy to increase the use of video-based communication continues to be rewarded and in October the SAICA News channel was launched to promote topical stories and provide updates on key initiatives.

SAICA's *Accountancy SA* magazine is available in four formats: an interactive digi-magazine, a PDF download, an interactive mobile responsive version, or the option to listen to articles on a cell phone. The magazine continues to provide new, relevant and interesting content that support broader campaigns and in 2020 circulation increased to 56 869 from 54 886 in 2019.

SAICA's Top 35-under-35 competition continues to create a local and international platform to showcase the talents and achievements of SAICA's young members and provides them with valuable networking opportunities. This forms the core of our international promotion of the CA designation in conjunction with Chartered Accountants Worldwide (CAW). This year's competition included a webinar series about the challenges the finalists overcame on their respective personal journeys to the competition. The competition output reached more than 50 000 people.

The third CA of the Future conference was hosted virtually in five sessions over five weeks and attracted 1 519 participants and further achieved a member rating of 4,6 out of 5.

SAICA WEBSITE REDEVELOPMENT

SAICA is implementing a fully integrated digital Content Management platform that will allow SAICA to create, manage and deliver content across various channels to improve marketing and communication, and support member value. The new SAICA website will be available to members in June 2021 and some of the project goals are to guide visitors and members to their desired destination efficiently and effectively and enable them to find the information they are looking for and to communicate key messaging from SAICA more effectively.

SEMINARS AND EVENTS

The SAICA Brand division provides organisational support for continuing professional development opportunities for members, including seminars, events, workshops, conferences and webcasts. COVID-19 meant that all events shifted to virtual events, reducing the revenue earned as well as the costs to deliver the events.

2020 SEMINARS AND EVENTS

- Seven face-to-face events with 507 delegates (January to March)
- 103 webcast sessions with 30 661 attendees
- 65% of events were free, providing excellent value for members

SAICA'S DISCIPLINE COMMUNICATION STRATEGY AND PLAN

Revelations of unethical behaviour by CAs(SA) in leadership positions have shaken the country's faith in the ethics and professional standards of CAs(SA). Frustration at the slow pace and lack of transparency of the disciplinary process has translated into a frustration with SAICA and IRBA for not moving more decisively against implicated CAs(SA).

Many in the public and the media do not fully understand SAICA's governance and legal limitations and constraints, nor are they aware of the different regulatory environments that apply to SAICA (members) and IRBA (auditors and audit firms). The assumption is often that member bodies are complacent, or worse, complicit and overly protective of their members.

SAICA and its members hold themselves to a higher level of ethics and governance as the custodians of the nation's financial and accounting standards. We take the contravention of the Code of Professional Conduct seriously and are doing everything in our power to address members' unethical practices.

SAICA has amended the by-laws that govern the disciplinary process to streamline the process and improve transparency. The Discipline Communications Strategy and Plan aims to increase understanding of the disciplinary process and the extent of SAICA's disciplinary powers and to provide clear, consistent communications around the output of the SAICA disciplinary processes. The ultimate goal is to increase SAICA's credibility as a proponent of good governance, restore public trust in the CA(SA) profession and ensure the relevance of the profession.



INTERNAL EFFICIENCIES

COMMERCIAL

SAICA creates innovative and creative sponsorship opportunities for sponsors to promote services that are relevant to our members. Events and conferences such as Top 35-under-35, Finance Leaders, Cloud in Practice and the CA of the Future, gave SAICA the opportunity to attract multiple sponsorships and engage with large numbers of members.

At the start of lockdown, many sponsors pulled out of planned events and we had to change our sponsorship sales programme to a fully digital approach. As a result, sponsorship revenue promised decreased to zero by March 2020 but the commercial unit managed to secure R4,8 million in sponsorships for digital events by the end of 2020.



The SAICA Brand division will continue with a proactive SAICA brand and reputation management plan in 2021

MEMBERS AND GLOBAL ALLIANCES

STRATEGIC PILLARS



The core functions of the Members and Global Alliances (M&GA) division are:

- Member engagement
- Member support
- Advocacy and thought leadership on behalf of the profession
- Post-qualification learning and development
- Promotion of the consolidated trust restoration programme
- Ensuring future relevance of the profession, and
- Promoting and supporting the leadership roles members are expected to play in the economy and society

It aims to ensure that members continuously evolve, obtain and maintain the skills required for them to stay relevant.

During the year, the division was restructured to ensure the most effective delivery of member value and to achieve an appropriate balance between all key deliverables of the SAICA strategy. Significant progress was made in building multiple synergies and collaborations within the division as well as across SAICA as a whole. This includes collaboration with IT on all digitalisation and technology matters, and collaboration with Brand and Marketing on all brand development, brand promotion, communication and PR matters. The division was instrumental in the implementation of Stage 1 of the Ushintsho project. M&GA is driving the website redevelopment project together with the Brand and Marketing divisions, actively implementing the Pathway to Relevance framework and driving the sourcing and implementation of the SAICA learning platform.

The quality and quantity of output significantly increased despite the challenges brought by COVID-19, thus supporting members and the organisation to stay relevant. In total, the M&GA division hosted 297 Seminars presented and attended by over 85 000 attendees with a rating of 4,42 out of 5.

The Standards department facilitates the work of multiple member structures that focus on advocating on behalf of the profession and provide opportunities for members to engage, consult and collaborate on various agendas. During the year, multiple submissions were made to local and foreign regulators, standard-setters and stakeholders. The department plays an advocacy role in audit and assurance, taxation, corporate reporting, sustainability and public sector matters. In 2020, it worked on repositioning the key advocacy agendas to effectively promote the future relevance of the profession, restore trust and promote ethics and professional integrity.

Members are supported with technical queries, guides and operational stakeholder escalation support. Offerings supporting technical skills advancement, promotion of leadership and enabling competences, as well as ethics,

MATERIAL MATTERS



citizenship and life-long learning attributes, include seminars and events, roundtable discussions, articles, media releases, research publications and newsletters.

The high quality of SAICA's thought leadership derives from the technical excellence of our members, our staff and our partners, and contributes to the promotion of the SAICA brand and the protection of the public interest. This is recognised through various channels, including in publications and journals, when staff represent SAICA in external panels, promote the SAICA brand through external media and drive formal research and survey activities.



MEMBER VALUE



RELEVANCE AND REPUTATION

COVID-19 SUPPORT

The Standards division provided extensive guidance to members regarding the implications of COVID-19 and the impact of the Disaster Management Act in the areas of audit and assurance, UIF, taxation, small and medium practices, business implications, essential services and other legislation and regulations. Other queries included how to handle electronic signatures, conduct AGMs remotely and sign off on financial statements electronically. A repository of all available local and international guides and circulars was created for members on the SAICA COVID-19 website.

Representatives from the Standards division participated on the National COVID-19 Response Team set up by IRBA to coordinate the response across the financial ecosystem.

SAICA implemented comprehensive operational and technical support for members as part of its COVID-19 response. One of the highlights is a successful implementation of the Business Emergency Room initiative which provides an opportunity for distressed businesses to receive support so that they can survive the challenges of the pandemic.

At the start of the COVID-19 crisis, the Member Engagement division planned and delivered the Leadership in a Time of Crisis webinar series that offered useful and actionable information to help viewers navigate the immediate challenges they faced in their professional and personal lives. Technical content was sourced from the Standards department and other SAICA departments. The 29 webinars were viewed by over 53 000 people from 39 countries, around 35% of whom were non-members.

SAICA also implemented a survey to measure how members were impacted by COVID-19 and how SAICA could assist. We are in the process of following up the responses and contacting members to provide support where we can.

Recent local and international business failures and unethical behaviour in the finance function have led to public questioning of the reliability of financial reporting that erodes market stability:

- SAICA's overall vision for the profession is to become true leaders in the economy and society, where the profession is seen as the custodians of governance, ethics and due care, irrespective of the role each member plays within the finance ecosystem.
- SAICA is implementing a number of strategic initiatives that aim to embed ethical behaviour in members and businesses, and to identify possible solutions to address the current negative perception towards the accounting and auditing professions.

In December 2020, following the Board's recommendation, a decision was made to consolidate all SAICA activities and projects related to professional reputation and overall improvement of the finance ecosystem into a comprehensive trust restoration programme with an all-inclusive roadmap.

THE INTEGRATED ETHICS PLAN

Trust in the accounting profession has been seriously eroded by recent high-profile cases related to state capture and corporate failures even though very few CAs(SA) were being implicated in theft, fraud, corruption and money laundering. Unethical behaviour lies at the heart of all these cases and it is imperative that SAICA moves to ensure that members and associates are aware of their obligations to behave in an ethical way, report incidents of unethical conduct, and are supported to do so.

The Integrated Ethics Plan (IEP) is coordinated by the Standards division and integrates the ethics initiatives underway across SAICA's departments to consolidate the ethics agenda and identify any gaps in our approach. The goal of the IEP is to promote a sustainable ethical culture in the profession to assist with restoring trust and reputation.

A working group was formed in July 2020 with representatives from all divisions of SAICA. Relevant local and international legislation and compliance frameworks are being mapped to provide a compliance universe and benchmark.

The IEP is working with a range of relevant stakeholders to coordinate efforts and ensure maximum impact. Partners include the GIBS Ethics Institute, which is assisting with ethics surveys and training for trainees; the Ethics Institute, which is developing and implementing educational and behavioural development initiatives; and the Institute of Chartered Accountants Scotland, which participated in the SAICA ethics webinar series.

The programme recognises that ethical practices are a result of a combination of professional ethics, personal ethics and business ethics. The plan applies to the whole continuum of a professional accountant's development, including:

- Pre-qualification, where the professional development team partners with educational institutions to ensure ethics are addressed in academic programmes
- Training offices where training officers are supported in their responsibility to equip trainees with ethics competence, and
- CPD, which ensures that ethics is appropriately emphasised in the continuing development of qualified members

SAICA developed a dedicated ethics webpage (www.saicaethics.co.za) to consolidate the available resources, including those providing operational support to members. The working group is in the process of clarifying the CPD policy in the context of reflections expected from members with regard to the required behavioural attributes (ethics, citizenship and a commitment to lifelong learning).

The IEP aligns with and informs SAICA's other strategic projects including the Audit Reform project, the CFO of the Future as a Value Officer, Integrated Thinking and Integrated Reporting, Pathways to Relevance and the professionalisation and turnaround of the public sector.

SAICA dedicated the month of October 2020 to ethics in the lead-up to Global Ethics Day on 21 October 2020.

Ethics was the focus in the Trainee Tuesdays engagements with trainees and the October 2020 issue of the *Accountancy SA* magazine contained a series of ten ethics-related articles. SAICA also launched a series of six free webinars featuring leaders from the main constituencies within the profession addressing various aspects of ethics that were viewed live by over 7 000 attendees. Training sessions were offered where the practical application of business, professional and personal ethics principles were explored.

Ethics Months 2020 was the start of a continuous conversation to increase awareness, educate and inform SAICA members and the public about ethical principles and good practice.

AUDIT REFORM

The local and international auditing profession has come under significant pressure because of corporate failures that have had significant economic impacts and resulted in the questioning of the role of external auditors. South Africa's Minister of Finance indicated in the 2020 budget speech that National Treasury will appoint an independent panel of experts to review practices in the auditing profession.

SAICA's view is that the current challenges facing the profession calls into question the overall finance ecosystem and capital markets' stability. We strongly believe that restoring the trust and relevance of the auditing profession lies in embracing the concept of joint accountability for the stability and trustworthiness of the finance ecosystem.

SAICA's Audit Reform project is coordinating the Institute's initiatives to rebuild trust in the auditing profession. An Audit Reform working group was established and key stakeholder groups were identified and engaged within the context of the project, including audit firms, regulators and business groups such as Business Unity South Africa (BUSA) and Business Leadership South Africa (BLSA).

Emerging themes include:

- Audit practice governance, including incentive structures, a focus on ensuring that auditors keep their primary responsibility to the public interest top of mind, and ensuring that non-assurance agendas do not compromise audit quality and independence
- Joint accountability/combined assurance – ensuring that there is joint accountability for corporate failures that covers the other lines of defence in combined assurance models, including boards of directors, audit committees and internal audit functions
- The need for regulators and professional bodies to act promptly when corporate failures occur

A key theme of the project is to address the audit expectation gap, including highlighting the role auditors play in the detection of fraud.

The ultimate goal of the consultation is to facilitate a process that will be conducted by National Treasury in line with the Budget 2020 announcements where an appropriate ministerial panel will be created to drive this agenda.

PATHWAYS TO RELEVANCE

The ability to adapt to rapid change will be an essential attribute of future CAs(SA) as trends such as increased digitisation, exponential changes in technology and the advent of the Fourth Industrial Revolution accelerate. Succeeding in their changing roles will require a combination of professional values and attitudes, enabling competences and technical skills.

Pathways to Relevance is a future-focused post-qualification competency framework arising out of the CA2025 programme that aims to prepare CAs(SA) for escalating complexity in the business environment and for the impact of globalisation, digital disruption and increasing stakeholder demands. It identifies ten specialist career paths and the knowledge, skills and attributes CAs(SA) will require to remain relevant for their changing roles over the lifecycle of their career.

SAICA started rolling out resources on enabling competences that started with the Translating Excellence Into Impact series of webcasts, which included topics ranging from self-management to global and emerging competences. Early in 2021, SAICA will be releasing resources to assist members in the preparation of their reflective plans for 2021.

SAICA's mentorship programme is a key initiative supporting enabling competences that have positively impacted mentees' personal, career and leadership development and supported their mental health.

SAICA has implemented the Pathways to Relevance framework as a foundation of its CPD policy from the year 2020. 63 CPD workshops with corporates and districts were held with 4 774 members, including via webcast. SAICA is finishing the formulation of the framework and has commenced delivery of the programme. This should facilitate learning and development in the three key areas of technical competences, behavioural attributes and enabling competences. Annual brochures will be sent to members to promote the member value offered by the SAICA events programme.

The following key offerings are currently available to members to promote enabling competences: a mentorship program, the Leadership Evolution Masterclass (LEMS) series, Friday Knowledge Café sessions, and a coaching and development webinar series (Converting Competences into Impact).

The career management tool is being piloted by SAICA and members are encouraged to try the tool and provide feedback.

PUBLIC SECTOR SUPPORT

The Public Sector unit is currently developing a strategy for professionalising the public sector in collaboration with stakeholders including the South African Local Government Association (SALGA), National and Provincial Treasuries and the Gauteng Department of Cooperative Governance and Traditional Affairs (COGTA). The project is focusing on implementing a turnaround of public sector financial performance, professionalising public finance departments by establishing required competency levels and playing an advocacy role in improving legislation.

The Public Sector unit is actively delivering technical and operational support to members engaged in the public sector via the learning offerings, surveys of needs and opinions, and advocacy engagements with various stakeholders. SAICA facilitated the Auditor-General (AG) audit outcomes sessions during the year and will continue with this programme into 2021.

The member engagement area was restructured during the year so that it can focus on creating a superb member experience. The unit comprises four local regional offices and one international office based in London.

Member Engagement aims to create a sense of community among members, engaging with members and stakeholders that are close to the profession to understand the changing business environment and to respond with appropriate products and services. We also engage with regulators to facilitate interaction between regulators and members to create a smoother operational environment for members.

The department also provides a variety of offerings, including member networking events and events that give members an opportunity to engage on various strategic and meaningful social and economic agendas. It also facilitates the work of regional and district member councils.

Member Engagement is currently conducting a products and services survey to identify the competences

members feel they need training on and the support they require from a technical perspective.

The focus of the regional offices during the year was on member retention by ensuring that members received value for their membership fees by resolving queries promptly, providing top-quality CPD and networking events, and engaging with members to provide support during COVID-19. The international region developed the structures necessary for the International Regional Council as well as international sub-region structures and activities. The Central Region established a new Central Region Council after the disbandment of the Free State/North West and Northern Cape provincial councils at the end of 2019.

GLOBAL ACCOUNTING ORGANISATIONS

Member Engagement coordinates SAICA's relationships with peer finance professional institutions and global accounting organisations. These relationships provide SAICA with valuable input to our member engagement activities and inform global standard-setting. They also ensure the profession's relevance and provide a platform where SAICA can promote the CA(SA) brand and the work of the professionals who hold this designation, supporting the continued high ranking of South African chartered accountants internationally and supporting their ability to work around the world.

Recognition agreements with international professional bodies expedite pathways to other African and international designations for SAICA members to operate in an increasing number of international locations, making them more professionally mobile and creating a wider network of business areas in which to add value.

In November 2020, ACAUS (the Association of Chartered Accountants USA) and Chartered Accountants Worldwide (CAW) joined together to form Chartered Accountants Worldwide Network USA to support and connect over 7 000 chartered accountants who live and work in the USA.

The CAW Network comprises 18 chapters in the USA representing 14 CA institutes worldwide. The goal of the network is to expand and strengthen relationships between CAW, business leaders and the profession in the USA in order to facilitate interaction with members as well as the cross-flow of information and ideas.

Member Support comprises the contact centre and the member administration functions that focus on creating an excellent member experience in essential member interactions with SAICA. These include registrations, billings, concessions and the fee process, data maintenance and effectiveness, query management and telephonic and email support.

Stage 1 of the Ushintsho project was officially finalised and signed off during the year and Stage 2 has commenced. The first stage of the project was primarily member-facing and included improvements to the member portal to log member technical queries on the system. This enables improved distribution and tracking that has resulted in more efficient query resolution. Internal processes are being redesigned to align with the changed procedures.

The new system also captures all member experiences within the member profile to provide a single view that allows better tracking and consolidating of member needs. This functionality improved interaction between the Finance Department and Member Engagement that helped us this year while following up on member fees. Although member fee collection was significantly impacted by the disruptions members experienced from COVID-19, our ability to engage effectively with members resulted in the number of members cancelled due to non-payment falling to the second lowest in ten years.

Member Support is currently running a project to collect member information and update the member database and 26 587 member profiles have been updated to date. We are also improving our understanding of member requirements to enable more targeted communications and to provide more relevant information to members.

INTERNATIONAL PARTNERS	RECOGNITION AGREEMENTS
Chartered Accountants Worldwide (CAW)	<ul style="list-style-type: none"> The Institute of Chartered Accountants in England and Wales (ICAEW) The National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) Chartered Accountants in Australia and New Zealand (CAANZ) The Chartered Professional Accountants of Canada (CPAC) The Hong Kong Institute of Certified Public Accountants (HKICPA) Chartered Accountants Ireland (CAI) The Institute of Chartered Accountants in Scotland (ICAS) The Institute of Chartered Accountants Zimbabwe (ICAZ) The Institute of Chartered Accountants of Namibia (ICAN) The Chartered Institute of Management Accountants (CIMA) Institute of Certified Public Accountants of Kenya (ICPAK) Eswatini Institute of Accountants (EIA) Lesotho Institute of Accountants (LIA) The Institute of Chartered Accountants of India (ICAI)
The Global Accounting Alliance (GAA)	
The International Federation of Accountants (IFAC)	
The International Integrated Reporting Council (IIRC)	

NATION BUILDING

STRATEGIC PILLARS



The Nation Building division manages the qualification and training of new members, drives transformation in the industry and houses the donor-funded initiatives that support social contribution.



GROWTH AND TRANSFORMATION

PROFESSIONAL DEVELOPMENT

Professional development covers SAICA's initiatives to promote the CA(SA), AGA(SA) and AT(SA) designations at schools and universities, provide support for learners, students and trainees, and capacitate tertiary institutions. The goals of these interventions are to:

- Drive pipeline growth by expanding the number of students and trainees that come into the profession
- Improve the throughput pass rates of students and trainees
- Transform the professions in line with population and gender demographics

Professional development for the AT(SA) designation was previously handled separately, but was incorporated into SAICA's Professional Development department this year.

EDUCATION SUPPORT FOR PROSPECTIVE MEMBERS AND ASSOCIATES

- SAICA's activities include multiple interventions at school level and at tertiary institutions to increase the number of pupils and students studying courses and achieving the qualifications that allow them to move towards one of SAICA's designations. The purpose is to drive pipeline growth by expanding the number of students and trainees that come into the profession
- Improve the throughput pass rates of students and trainees across the various levels of the pipeline
- Transform the profession in line with population and gender demographics

SAICA's Thuthuka school projects aim to improve literacy and numeracy at schools. Thuthuka runs a variety of 47 school programmes a year across all nine provinces, including providing academic intervention and learning support materials, running career promotion and awareness initiatives and facilitating educator training. In 2020, more than 2 973 learners participated in the projects

MATERIAL MATTERS



and more than one million learners have participated in the 18 years since inception. SAICA is initiating a project to digitise Grades 10 to 12 accounting textbooks to improve accessibility and enhance growth and transformation.

STUDENT FINANCIAL SUPPORT

The Thuthuka Bursary Fund (TBF) provides financial and wrap-around support to aspiring financially needy African and Coloured CA(SA) students at university. In 2020, 646 undergraduate and 452 postgraduate students at 12 partner universities were funded by TBF. More than 3 000 aspiring CAs(SA) have received support through the programme since it started in 2005, producing over 1 500 qualified CAs(SA). More than 1 600 prospective CAs(SA) are currently in various stages of the qualification process.

The Ikusasa Student Financial Aid Programme (ISFAP) was founded by SAICA in 2017 as part of the national effort to solve the funding challenge faced by students. The programme funds the tertiary studies of relevant students from households that earn less than R600 000 per year and provides them with the full cost of study as well as wrap-around support for 11 occupations of high demand.

ACCREDITED ACADEMIC INSTITUTIONS

SAICA programmes meet the highest accreditation standards and SAICA (as a professional body) is regulated by the South African Qualifications Authority (SAQA) and the Council for Trade and Occupations. There are 22 SAICA-accredited tertiary institutions across South Africa and we visit these on a regular basis to ensure that the necessary standards are maintained and any issues addressed. During 2020, SAICA accredited the first two universities to teach the AGA(SA) curriculum.

SAICA has a programme to build capacity in historically disadvantaged institutions (HDIs) and all six HDIs are accredited with SAICA at an undergraduate level. The programme is continuing at the universities of KwaZulu-Natal and Venda as well as at Walter Sisulu University to support future accreditation at a postgraduate level.

Capacity building includes curriculum transformation and assistance to identify new and innovative ways to teach students, especially those from previously disadvantaged schools who may need different teaching methods to better grasp some of the concepts in accounting studies. These new teaching methods have been found to improve student engagement and results over time. An

African academics programme equips young academics to improve their teaching skills and engage in more research, especially at PhD level.

SAICA is developing an education journal that will be a platform for universities to share best teaching and learning practices. During 2020, SAICA ran an ethics course at universities in partnership with the Ethics Institute to engage academics on the best ways to develop students' development of ethical acumen.

CA2025

The CA2025 project defines the competences (knowledge, skills, behaviours attitudes and values) required of entry-level members to remain relevant in the face of the rapidly emerging trends that are affecting the accountancy profession. These include the increasing pace of change, the disruptive technologies of the Fourth Industrial Revolution and the continued improvement in technology as well as an increased focus of enabling or non-technical skills which are so important for the 21st century.

2020 saw the start of significant revisions to the academic and training programme qualification routes based on the CA2025 competency framework, with further detailed implementation to commence from 2021. The CA2025 competences feed into the Pathways to Relevance project (post-qualification and member career pathways) and the revised CPD policy which requires that members undertake a learning programme relevant to their individual needs. During 2020 the competency frameworks required for future AGAs(SA) and ATs(SA) were in the process of being updated as well.

COVID-19 IMPACT

Schools: Face-to-face projects at the schools were stopped during COVID-19, with virtual engagements offered as a substitute wherever possible. Initiatives shifted online and the pandemic brought a lot of new learnings for different ways to achieve the planned outcomes.

Academic programmes: Throughput rates for the various academic programmes are likely to be severely affected by the disruptions during 2020. The ability of universities to respond to lockdown varied, with some back up and running within days while others took significantly longer to adapt given their poor resourcing situation.

Academics: Engagements with heads of departments were held once a month (previously twice a year), leading to greatly improved engagement and sharing of solutions between institutions. SAICA conducted a survey of bursary students and engaged with universities to address the difficulties they were facing.

Trainee and training officer engagement: We found virtual visits and remote training programmes for students and trainees had better engagement than the previous in-person events.

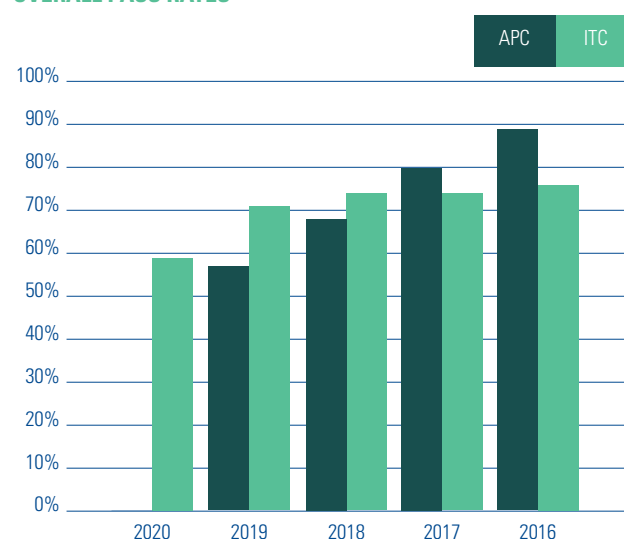
EXAMS

Students leaving university with the necessary SAICA-accredited accounting-related qualifications can enter

into a training contract with a registered training office before sitting two qualifying examinations: the Initial Test of Competence (ITC) and the Assessment of Professional Competence (APC). These exams are set and administered by SAICA.

Due to the disruptions caused by COVID-19, the 2020 ITC exam was moved from June 2020 to November 2020 and the APC assessment was moved from November 2020 to December 2020. The APC assessment has not yet been conducted at 31 December 2020. The ITC exam was successfully held with all social-distancing and other COVID-19-related protocols in place.

OVERALL PASS RATES



The declining trend in ITC and APC pass rates is a concern. A working group has been established to identify the root causes of the declining pass rates. External associates have been invited to undertake an independent review of the exams to benchmark standards. SAICA is engaging with a range of stakeholders including IRBA, the Association for the Advancement of Black Accountants in Southern Africa (ABASA), African Women Chartered Accountants (AWCA) and the university heads of department. A detailed action plan has been developed and funding secured for students wishing to repeat the APC and ITC exams.

TRAINING

Training offices help to develop the necessary skills, professionalism, ethics and professional competence required of future SAICA members. SAICA accredits 704 training offices across South Africa and nine offices outside the country. Accreditation and reaccreditation visits were conducted remotely from the start of the lockdown. Trainee Tuesdays was launched to provide a virtual touch-point with trainees due to the limitations on face-to-face initiatives for 2020. All training office related support and events were moved onto online platforms.

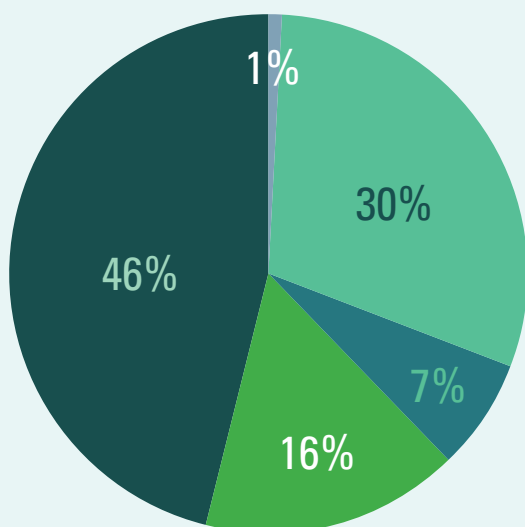
As at 31 December 2020, there were 10 487 trainees at SAICA-accredited training providers/universities across South Africa (2019: 10 201). During 2020, 2 050 prospects successfully completed the requirements to become SAICA members (2019: 2 202).

PIPELINE TRANSFORMATION

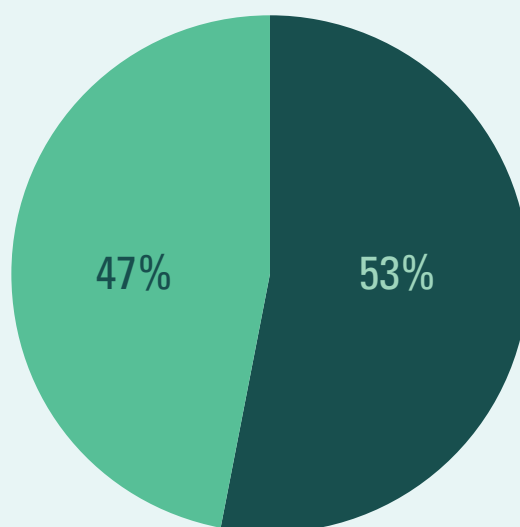
Transforming the racial and gender profile of accountants is critical to the sustainability and local relevance of the profession and a key focus of our strategy. The Thuthuka

Education Upliftment Fund (TEUF) was established in 2002 to house SAICA's transformation-driven initiatives, which include the Thuthuka Bursary Fund (TBF).

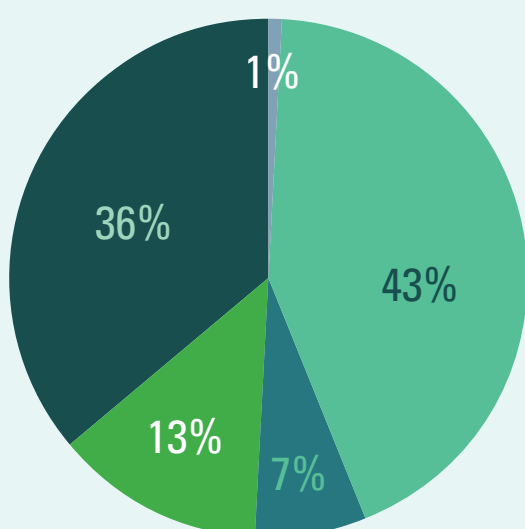
NEW MEMBERS BY RACE



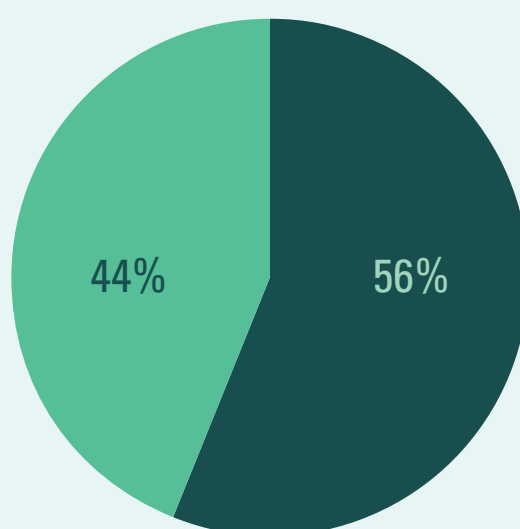
NEW MEMBERS BY GENDER



TRAINEES BY RACE



TRAINEES BY GENDER



Nation Building also implements and oversees a number of donor-funded initiatives that support the profession's public interest focus established in the SAICA constitution and align with Principle 3 of King IV™, which calls on organisations to be responsible corporate citizens. The projects aim to leverage the accountancy profession's skills and networks to facilitate meaningful economic participation for those in and outside the profession.

TVET COLLEGE AND UNIVERSITY OF TECHNOLOGY (UOT) SUPPORT

SAICA's AT(SA) TVET college and UoT training programmes increase the number of youths and adults who have the relevant skills for employment and entrepreneurship by providing work-readiness qualifications and career advancement opportunities. More than 209 students were supported in 2020. SAICA also helps to build capacity in the finance and human resource departments at TVET and community education and training (CET) colleges. This includes establishing systems, processes and controls to create sustainable financial management and human resource management structures, providing coaches and mentors as well as finance and human resource staff at TVET and CET colleges. In 2020, 59 colleges (50 TVETs and nine CETs) were supported.

INSTITUTIONS OF LEARNING SUPPORT

SAICA's School Governing Body (SGB) Programme helps primary and secondary school SGBs to improve their financial management and governance. This ensures that financial resources directly benefit learners at those schools. Support is provided by unemployed financial management diploma holders. In 2020, 108 schools were supported, providing work opportunities for 108 TVET interns.

SMME SUPPORT

SAICA Enterprise Development offers a unique financial excellence model that drives economic growth, innovation and job creation through SMME development. The initiative's flagship SMME programme has supported more than 1 000 SMMEs since its inception in 2017. Several private sector-funded projects are also implemented through the programme.

ENTREPRENEURSHIP DEVELOPMENT

SAICA Enterprise Development (SAICA ED) and The Hope Factory (THF) remain committed to driving sustainable entrepreneurship development as well as economic transformation and job creation under Nation Building. Together SAICA ED and THF supported 744 SMMEs/entrepreneurs nationally across their projects and programmes in 2020. SAICA ED houses strategic

Enterprise and Supplier (ESD) programmes and customised projects that aim to grow South Africa's entrepreneurial sector through advancing the sustainable growth of small Black-owned businesses. They offer financial excellence to entrepreneurs through the chartered accountancy profession. Furthermore, through The Hope Factory, SAICA is able to deliver impactful socio-economic and skills development initiatives that mobilise economic activity for unemployed black South African citizens (as per the B-BBEE Codes).

Despite COVID-19, 22 new jobs were created from the supported SMMEs on the SAICA ED flagship programme in 2020, 77% of the SMMEs also graduated while still being profitable. SAICA ED ran a very successful work-readiness programme with 48 unemployed accounting graduates who supported over 140 Township SMMEs on the Khulisa iBiznis Funding Accelerator Programme with J.P. Morgan. 75% of these graduates have successfully found full-time employment for 2021.

THF's SED flagship programme celebrated 92% of the entrepreneurs still generating an income to support their households despite the pandemic. Through the financial literacy and micro enterprise programme in King William's Town in partnership with the ASISA Foundation, 87% of the small businesses are still trading.

COURAGEOUS CONVERSATIONS

SAICA's Courageous Conversations dialogue series started in 2017 in partnership with the Wiseman Nkulu Trust to facilitate uncomfortable but necessary conversations of national importance to promote decisive, accountable and intellectually based leadership on issues among South Africans.

Two conversations were held during 2020:

- Ensuring that no prospective CA(SA) is left behind
- What must change in the training environment of prospective CAs(SA)?

UNITE4MZANSI™

The UNITE4MZANSI™: STAND FOR TRUTH campaign will promote active citizenship through our members as leaders in business. The campaign will drive factual and transparent engagement that creates solutions to the nine impediments to South Africa's economic growth as per the National Development Plan. The initiative will showcase high-profile advocates with the goal to mobilise civil society and work together to see what concerned leadership can do to identify, understand and prevent corruption in both the private and public sectors. The launch of the project was postponed to 2021.

DISCIPLINARY MATTERS 2020

STRATEGIC PILLARS



OVERVIEW

One of the key roles of SAICA is the maintenance and protection of the CA(SA) brand which in recent times has been tainted by numerous public allegations of misconduct against prominent members of SAICA.

Following various comments and suggestions from members, SAICA spent several months during 2020 engaging with legal advisors and the SAICA Social, Ethics and Transformation Committee to revise the SAICA by-laws.

The by-laws relating to disciplinary processes are now contained in a Disciplinary Code, which is an annexure to the SAICA by-laws. The Board approved the revised SAICA by-laws in April 2020, with the effective date being 1 June 2020.

GENERAL CONCERNS RAISED BY MEMBERS

A number of concerns were raised by members regarding the disciplinary process prior to the review mentioned above:

- The perceived slowness of SAICA to discipline members in high-profile cases
- There is a perception among some members that certain cases are dealt with more expeditiously than others
- SAICA does not make a strong enough statement that it does not tolerate unethical behaviour
- SAICA is not being entirely transparent in its handling of issues; and
- Perceived lack of visible action by SAICA, which taints the image and standing of the profession

These concerns have been addressed to the extent possible within the legal framework in developing the new by-laws.

KEY IMPROVEMENT IN THE NEW DISCIPLINARY CODE

The proposed changes to the by-laws have been substantial and as far as the disciplinary process is concerned, it should be noted that the by-laws have been totally rewritten. Numerous mechanisms were added to the process. These all aim to achieve the following:

- Allowing an immediate media response
- Speedy resolution of complaints
- Reduction of the cost of processing the complaints
- Recovery of costs from members found guilty of misconduct

MATERIAL MATTERS



Before describing the improvements to the process in more detail, the historic process must be understood. Previously the process flow was as follows:

1. Complaints were received by the Legal Department.
2. Jurisdiction was confirmed (SAICA and IRBA membership).
3. The complaints were investigated by the case managers.
4. Once facts were confirmed, complaints were formalised as affidavits.
5. All cases were referred to the Professional Conduct Committee (PCC) for consideration and findings.
6. The PCC referred serious cases to the Disciplinary Committee (DC).
7. The DC hearings followed after this.

The nature of the historical process was therefore linear. All cases first went to the PCC and then to the DC. Allowing a parallel process with matters going directly to the DC has been one of the key procedural issues that was addressed in the new code, and we would like to highlight the following additional improvements to the process flow:

- There is a distinction between serious and lesser matters.
- The lesser matters are described in schedules with guidelines on applicable fines.
- The early distinction between serious and lesser complaints makes it possible to follow more applicable process flows towards faster outcomes.
- The process for addressing lesser matters provides for members to pay admission fines.
- In lesser matters where a member disputes the facts or proposed fine, the matters will be dealt with by the PCC with no legal presentation allowed.
- The process for serious matters will allow for the settlement of the matter between the parties. This will again allow for matters to be finalised faster.
- If no settlement is achieved the matter will be referred directly to the DC.

The nature of the process was therefore changed to allow for a parallel process with consequential gains in timelines.

A NOTE OF CAUTION

It is important to acknowledge that the Disciplinary Code content is not totally within the discretion of the SAICA Board and management. To be direct – SAICA cannot just add whatever it likes to the code. The SAICA code has to take note of the general principles of law applicable in our society.

Section 33 of the South African constitution provides that:

- Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.
- Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.

The Promotion of Administrative Justice Act was passed pursuant to the provisions of section 33 of the constitution. This legislation, among other things, sets out the requirements for procedurally fair administrative action, gives effect to the right to written reasons and provides for the grounds on which administrative action can be judicially reviewed and set aside. The implication is that the SAICA Disciplinary Code is subject to this statute.

In addition, SAICA is not excluded from potential civil suits based on alleged defamation and loss of income.

In drafting the new Disciplinary Code, all of the above had been taken into account and we are confident that within the requirements of this legal framework, we have succeeded in introducing significant improvements.

IMPLEMENTATION OF THE NEW DISCIPLINARY CODE

During the third and fourth quarter of 2020, the Discipline Unit focused on effectively communicating the revised by-laws, highlighting the main changes and training members of the team to ensure that the correct

process is followed and to enable them to provide accurate information regarding the revised by-laws and the transitional provisions.

THE SAICA DISCIPLINARY PANEL

The Board of SAICA appoints the members of the SAICA Disciplinary Panel, which consists of:

- Members in good standing for at least five years in sufficient numbers to ensure the speedy and efficient completion of disciplinary matters, and
- Lawyers, being retired magistrates, judges or practising legal practitioners of not less than ten years' experience, in sufficient numbers to ensure the speedy and efficient completion of disciplinary matters

PCCs, as and when required, are appointed from the members of the Disciplinary Panel and must consist of:

- In the case of advisory matters, two such members
- In any other matters, three such members
- Ad hoc additional panelists whenever the PCC deems it necessary

DCs are appointed by the designated disciplinary officer from members of the Disciplinary Panel who have declared that they have no conflict of interest in the matter at hand and consist of:

- Three such members, of whom the chairperson shall be a lawyer, and
- Additional panellists whenever the DC deems such additional appointment necessary

The members of the PCCs and DCs are paid a fixed hourly fee for their time and contribution.

2020 CASE REPORT

DISCIPLINARY SUMMARY	2020	2019	2018	2017	2016	2015
Number of cases reported	476	247	248	229	507	177
Cases referred to IRBA*	38	34	35	42	24	31
Cases finalised	143	184	128	235	162	70
• Through the Professional Conduct Committee (PCC)	137	173	119	229	142	55
• Through the Disciplinary Committee (DC)	6	11	9	6	20	15
Breakdown of total cases reported	476	247	248	229	507	177
• Complaints against members and associates (AGAs)	414	171	190	177	136	160
• Complaints against trainee accountants	41	39	15	38	38	12
• Complaints against non-members**	21	19	43	14	3	5
• APC matters	-	-	-	2	330	-

* Complaints against registered auditors are referred to IRBA to investigate in terms of by-law 19.2.

** SAICA pursues holding-out cases where individuals are found to have contravened the Chartered Accountants Designation (Private) Act 67 of 1993.

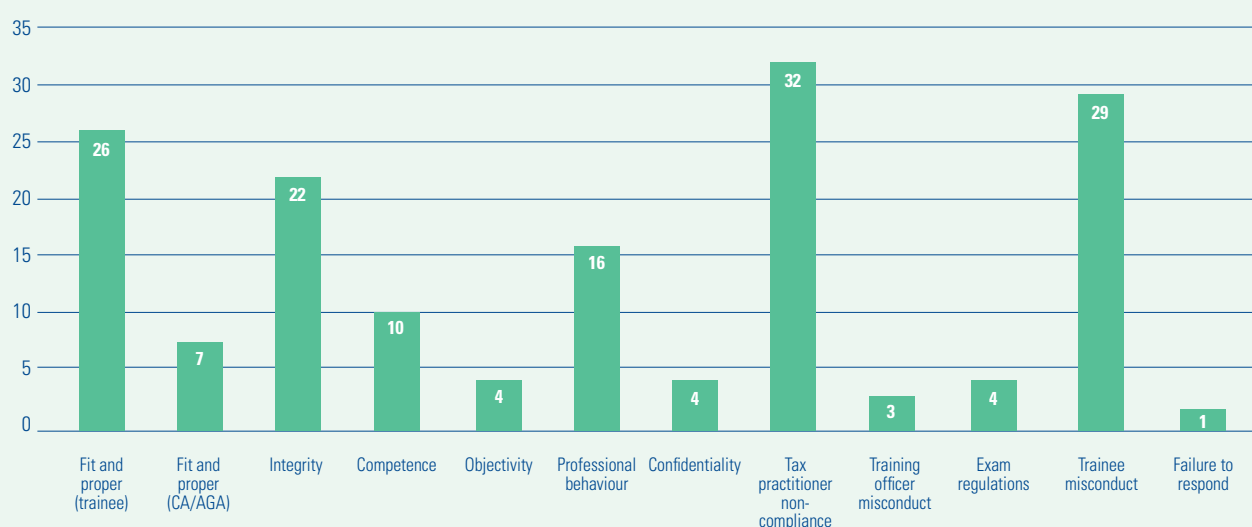
PCC MEETINGS IN 2020

The impact of COVID-19 and reduced availability of PCC chairmen resulted in a slight reduction in the number of meetings during 2020 compared to 2019. For the first two quarters, only one chairman was available to attend to the PCC meetings. In the second half of the year,

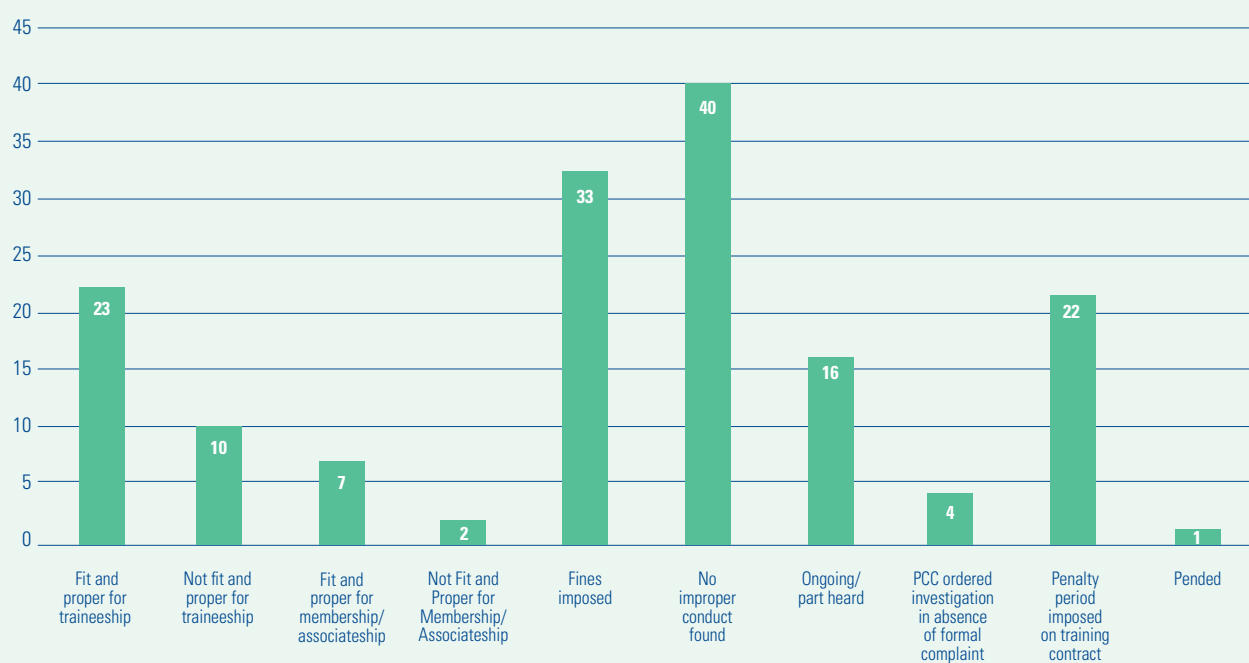
additional PCC chairmen were appointed by the Board and they commenced their duties from June 2020.

The result was that the PCC met 16 times, considered 158 matters and finalised 137 of these cases, with 16 cases ongoing.

PCC DISCIPLINARY COMPLAINTS 2020



SANCTIONS FROM PCC 2020



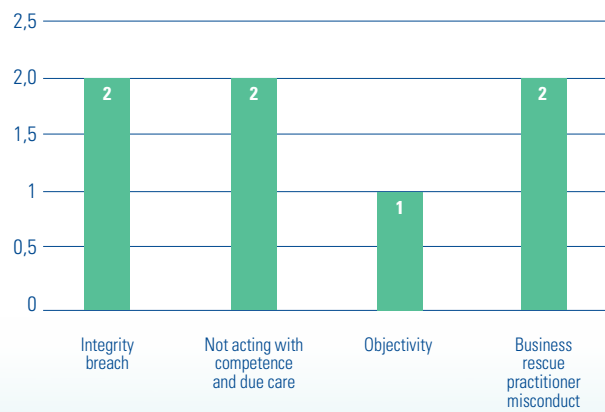
DC MEETINGS IN 2020

In 2020 the DC met twelve times and finalised six of the seven cases considered during this period. Six of these cases were complex matters requiring more investigation and with substantial amounts of submissions and objections being raised by the

respondents' representatives between the DC meetings.

In addition, one of the two DC chairmen was hospitalised with COVID-19. To address the future impact of COVID-19, two additional DC chairmen were appointed in June 2020.

DC CASES 2020



DC SANCTIONS 2020





VALUE CREATED

Value created	79
Performance against 2020 strategic objectives	80
Performance per strategic pillar and strategic objective	82
2021 Strategic objectives and KPIs	85

PERFORMANCE AGAINST 2020 STRATEGIC OBJECTIVES

SAICA's Board sets short term targets and initiatives for the year ahead in the annual scorecard that support delivery on the strategic pillars, either directly or by enhancing the institute's operational efficiency. At the end of the year, executive management collates the performance against the scorecard targets. The final scores are assured by the external auditors and reviewed by the Remuneration Committee and approved by the Board.

The scorecard comprised four categories weighted as shown in the table on the next page. Each scorecard category is given a score from 1 (far below expectations) to 5 (far exceeds expectations) and these scores are weighted according to the category weights to yield an overall score for the year. In 2020, SAICA achieved a performance rating of 3,68 out of 5, compared to 3,60 out of 5 in 2019.

PROFESSIONAL HEALTH INDEX MEMBER VALUE SCORE	SURVEY RESULTS (% ABOVE NEUTRAL)	2020 RATING
Access Index	87,35%	4,24
Employability Index	70,93%	3,44
Leadership Index	88,39%	4,34
Inspirational Index	68,92%	3,36
Brand Admiration Index	77,25%	3,69
Competency Index	73,08%	3,52
Member Satisfaction Index	64,48%	3,18
Total Member Value score	75,77%	3,68





PROFESSIONAL HEALTH INDEX RELEVANCE AND REPUTATION	SURVEY RESULTS (% ABOVE NEUTRAL)	2020 RATING
Integrity Index	74,59%	3,58
Market Trust Index	80,81%	3,83
Social Involvement Index	73,55%	3,54
Social Contribution Index	67,69%	3,31
Advocacy Index	61,37%	3,05
Thought Leadership Index	61,17%	3,05
Total Relevance and Reputation score	69,86%	3,39

The scores for the PHI are derived from the responses of the respondent groups; that is, members, trainees, high school learners, business decision-makers and SAICA stakeholders.

SAICA 2020 SCORECARD

STRATEGIC PILLAR	SAICA STRATEGIC OBJECTIVE	MEASURE	TARGET	PERFORMANCE ACHIEVED	SCORE
MEMBER VALUE Delivering better member value and offerings that will see our members in high demand in the marketplace Performance weighting: 30%	Ensure financial sustainability	Surplus for the year Net cash from operations	R5,4 million R19,6 million	R24,5 million R68,8 million	5,00
	Ensure the premier status and value of the profession for the members	Media exposure	1 301–1 400	1 633	4,78
		Professional Health Index scores: (summary of 13 indices)	>=60,01 % and <=85,00% respondents are above neutral	73,04 %	3,55
RELEVANCE AND REPUTATION Continued relevance of the accountancy profession and the creation of an ethical culture within the accountancy profession Performance weighting: 25%	Enhance trust and credibility of the profession in the economy and society	Annual stakeholder survey score	75% – 85%	82%	3,70
	Promote common interest of members and associates nationally and internationally	CA2025 milestones achieved	As per divisional ratings	As per divisional ratings	3,00
GROWTH AND TRANSFORMATION Growth and transformation of the accountancy profession in terms of race and gender and in line with the overarching national agenda Performance weighting: 25%	Grow and transform the profession	No of media exposure on thought leadership in Nation Building	85 exposures	181 exposures	5,00
		Throughput pass percentage of Thuthuka and HDI students And ITC and APC repeat programme pass rates	Pass rates of all the SAICA support programmes are the same as those programmes of the universities or the national averages (ITC and APC)	As per divisional input ratings	2,00
		Percentage of students who indicated that they have had engagements with SAICA through its school initiatives and capacity-building activities	50% – 60%	62%	4,10
INTERNAL EFFICIENCIES The enhancement of internal efficiencies and effectiveness so that the Institute can better service its stakeholders Performance weighting: 20%	Empower, engage human capital to create an engaged and transformed organisation	B-BBEE level	B-BBEE Level 4	B-BBEE Level 6	2,00
	Work quicker, qualitatively better and more efficiently	Benefits realised from Ushintsho	90% – 94.99% of benefits realised	As per divisional ratings	3,63
		ERM maturity level	ERM Maturity Level 4	Level 4	3,00
	Empower, engage human capital to create an engaged and transformed organisation	SAICA's employee engagement survey results	5% increase from 2019 employee engagement score	75%	5,00

PERFORMANCE PER STRATEGIC PILLAR AND STRATEGIC OBJECTIVE

	MEMBER VALUE	  
MEMBER VALUE, INCL FINANCE	WEIGHTED SCORE	AVERAGE SCORE
(30%)	1,22	4,06

ENSURE FINANCIAL SUSTAINABILITY

- SAICA exceeded its budget surplus by greater than 15% despite a major reduction in budgeted revenue and unbudgeted expenses that had to be accommodated to enable the new COVID-19 conducive working environment.
- There were cost savings of R65 million as result of non-spending on venue hire, travel expenses, presenter costs, accommodation, catering, car hire, IT outsourcing, markers, and a multiple of smaller items. Included in this amount is staff costs made up of vacancies and some employees not receiving increases. The spending on legal fees and licenses was higher than expected.
- 97% membership fee collection reached as a result of more targeted engagement initiatives held with members to understand their circumstances and provided assistance with arrangements.

ENSURE THE PREMIERSHIP STATUS AND VALUE OF THE PROFESSION FOR THE MEMBERS

- Conducted research on audit reforms globally which enabled the team to provide inputs into audit profession reform initiatives. This initiative is to ensure the profession's voice is heard in policy formulation by government.
- Improved SAICA's relations and contribution to key structures such as SAAPT, Audit Leaders Forum, CFO Forum and JSE Forum. This led to better service to members during the COVID-19 pandemic in terms of support and guidance in various forms including assurance, regulatory reporting, and periodic reporting.
- Quick, effective and continuous response to the COVID-19 pandemic where an extraordinary amount of technical and operational support as well as thought leadership was provided to members and stakeholders (SARS, CIPC, JSE, public sector stakeholders, etc).
- CA2025 consultation process on new teaching and learning methodologies and a revised competency framework was completed – a proposal was sent to the IPD committee for approval at their first meeting in February 2021.
- Technical content developed to support SAICA members featured prominently on the IFAC Knowledge Resource platform, which served as guidance for other institutes.



RELEVANCE & REPUTATION



RELEVANCE & REPUTATION

WEIGHTED SCORE

AVERAGE SCORE

(25%)

0,85

3,38

ENHANCE TRUST AND CREDIBILITY OF THE PROFESSION IN THE ECONOMY AND SOCIETY

- Enhanced the by-laws to deal with: -
 - o Creation of a settlement dispensation for minor cases on admission of guilt by the member concerned
 - o Revised the 'fit and proper' process to consider whether a member should retain membership of SAICA after being found guilty of improper conduct through external processes
 - o Recovering costs from convicted members
 - o A more objective and fair process for members under sequestration
 - o Automatic cancellation of membership for those convicted of violent crimes
 - o Settlement order without prejudice to avoid lengthy and costly hearings. This process has yielded a saving of at least R400 000.00 over and above the time saving, releasing the time resource for more complex matters on two matters that were settled on this basis
 - o Enhanced the sanctioning power of the Disciplinary Committee
- Disciplinary cases concluded were 143, resulting in at least one member being excluded for membership of SAICA out of 476 complaints lodged. The PCC considered 158 cases and finalised 137 with 16

ongoing, one pended and four cases referred for investigations. DC considered seven cases and finalised six: one excluded, one suspended from membership, one had a suspended suspension and a fine, another a fine and one no improper conduct found, and one is part heard.

- An integrated marketing and communication strategy was approved by the Board in March 2020.

PROMOTE COMMON INTEREST OF MEMBERS AND ASSOCIATES NATIONALLY AND INTERNATIONALLY

- Corporate reporting: Sustainability agenda technical developments through IFAC and IASB, promotion of the integrated thinking and integrated mindset concepts
- Tax, budget and extensive legislation commentary and advocacy; SARS operational and technical support engagement
- Published and launched Professor Wiseman Nkuhlu's book *Enabler or Victim*
- Started engagement with Professor King on the concept of a Chief Value Officer. Ready for launch in February 2021;
- Established the SAICA-USAf Steering Committee consisting of vice-chancellors from a number of universities. We are conducting research on structural changes that have to be brought about to deliver on the CA2025 competences
- SDGs: Launched SustainableSA collaboration on educating SA on SDG matters
- FinBiz2030



GROWTH AND TRANSFORMATION



GROWTH & TRANSFORMATION

WEIGHTED SCORE

AVERAGE SCORE

(25%)

0,92

3,70

GROW AND TRANSFORM THE PROFESSION

- Organised laptops for all our Thuthuka students (collaborating with NSFAS).
- Wrote to university vice-chancellors to prioritise Thuthuka students returning to campus (achieved).
- All three HDI universities without approved CTA programmes received approval from the DHEST.
- Engaged three universities without accredited postgraduate diplomas in accountancy to develop a framework towards a common PGDA programme which will increase access to HDSAs while improving the teaching and learning methodologies at these universities.

- NSAFS made a historical decision to fund PDGA students (postgraduate) for the first time ever. This resulted in us exceeding our funding target by a large margin.
- Initiated a pilot programme to develop certain competences identified through consultation with candidate and other stakeholders to augment the suspected shortcomings of the training programmes. Funding raised for CTA & APC repeat support programmes, but outcomes could not be measured as results have not yet been released due to exams being moved to December 2020 as a result of the COVID-19 pandemic.



INTERNAL EFFICIENCIES



INTERNAL EFFICIENCIES

WEIGHTED SCORE

AVERAGE SCORE

(20%)

0,68

3,41

WORK QUICKER, QUALITATIVELY BETTER AND MORE EFFICIENTLY

- Benefits realised from Ushinthso Stage 1 were measured:
 - Member satisfaction score of 84% achieved from member base who had registered and used the member portal implemented in Stage 1.
 - Business satisfaction score of 76% was achieved from business areas who were impacted by Stage 1 as improved efficient processes were enabled by Stage 1 features:
 - Stage 1 focused on more member-facing functionalities, including SAICA's case management functionality (query management); member data management functionality; development and delivery of a web-based member portal to support the above; and the data migration and system integration of the legacy system to the new CRM. Deployment of the member portal to SAICA members (a critical milestone to enable greater member satisfaction).

EMPOWER, ENGAGE HUMAN CAPITAL TO CREATE AN ENGAGED AND TRANSFORMED ORGANISATION

- The response by management to COVID-19 and the enhanced communication to staff improved employee engagement results during January 2021 and major improvement was achieved from prior periods.
- A succession plan for senior leaders was developed and implemented during the year. The HR division will continue supporting and monitoring further rollout of initiatives to be implemented over the period stipulated in the divisional plans.
- A long term incentive scheme was developed in order to ensure that the Institute retains talent critical to the delivery of key strategic initiatives.
- SAICA is a B-BBEE Level 6 contributor. The B-BBEE strategy is being implemented to move to Level 4.
- SAICA formulated and adopted an ERM road map to achieve Maturity Level 4 by 2020. This was achieved.

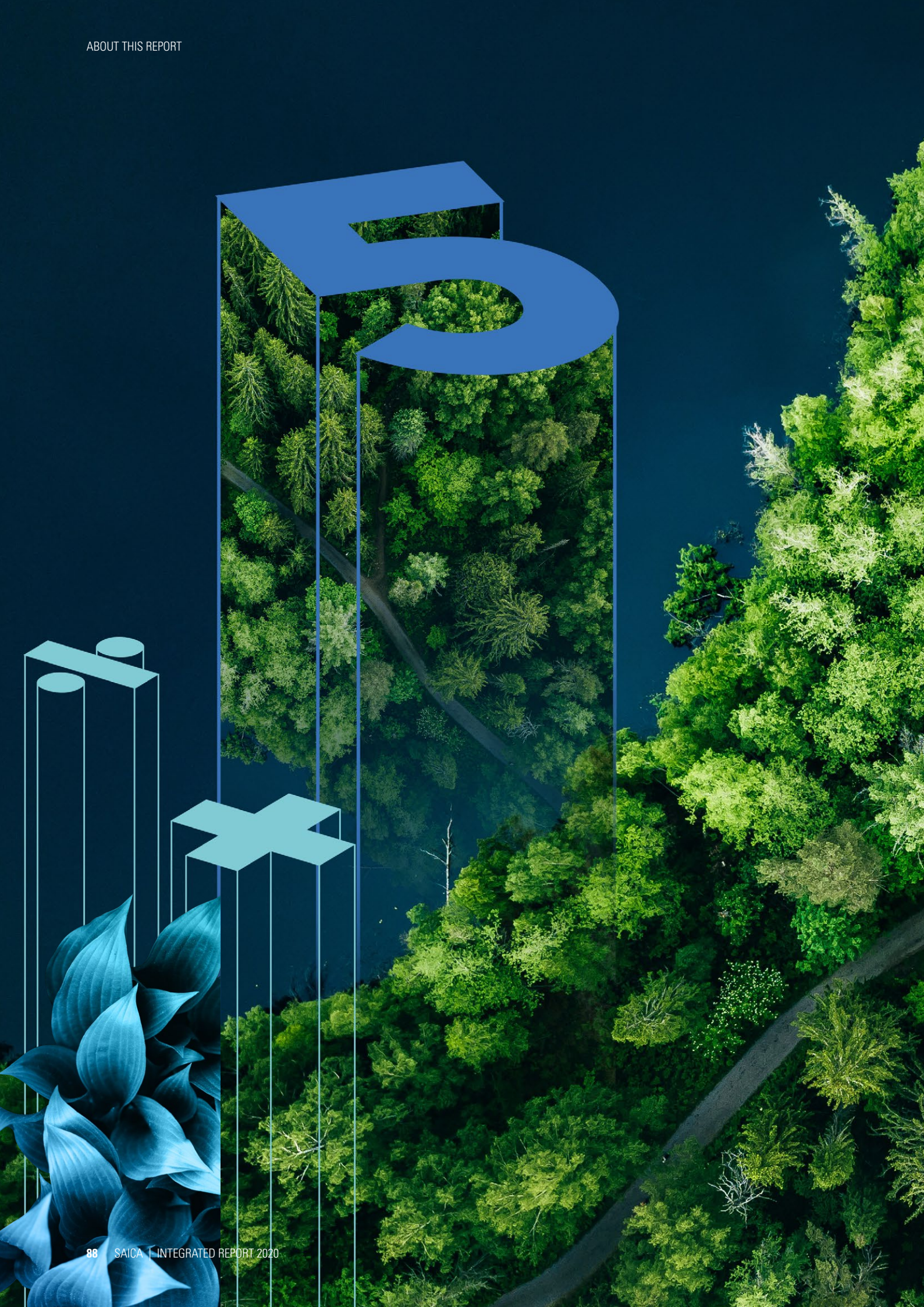
2021 STRATEGIC OBJECTIVES AND KPIs

SAICA's Board sets short term targets and initiatives for the year ahead in the annual scorecard that support delivery on the strategic pillars, either directly or by enhancing the Institute's operational efficiency. At the end of the year, executive management collates the performance against the scorecard targets. The final scores are assured by the external auditors, reviewed by the Remuneration Committee and approved by the Board.



STRATEGIC PILLARS	STRATEGIC OBJECTIVES	STRATEGIC OUTCOME	STRATEGIC INITIATIVES	KPIs	TARGET 2021
MEMBER VALUE					
Improving member value is central to SAICA's success, and offerings should cater to all members. We need to understand what members want and clarify membership benefits / value propositions to address those needs effectively Ensure that members are agile and resilient, by considering how to achieve its goals through its membership base	1. Deliver member value by promoting the premiership status of the CA(SA) designation and enhancing the 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 into the need and relevance of belonging to a professional body	<ul style="list-style-type: none">• Implement the Learning and Development Platform• Revamp the SAICA website• Member reach and member-profiling initiatives• Employer engagement on skills needs• Implement the Pathways to Relevance framework• Stakeholders engagement initiatives	Professional Health Index	>=60,01 % and <=85,00% respondents are above neutral
	2. Promote the common interest and professional competence of members and associates, nationally and internationally	Competency: Developing a shared set of professional competences. Professional competence is knowledge, skills, attitudes and values. These competences include: <ul style="list-style-type: none">• Professional skills and values (ethics, lifelong learning, citizenship)• Enabling competences (decision-making, business acumen, digital acumen, relational acumen)• Technical competences		Professional Health Index	>=60,01 % and <=85,00% respondents are above neutral
RELEVANCE AND REPUTATION					
Building trust and ethical conduct are key focus areas for the organisation to address a perceived failure in historical disciplinary SAICA's reputation is a key driver for attracting and retaining members, and correcting past reputational damage is a priority SAICA must ensure that it remains relevant in times of inequality and unemployment, both for its members and wider society	3. Enhance trust, ethical conduct and the 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).	<ul style="list-style-type: none">• Integrated Ethics plan• Optimise disciplinary procedures• Implement SDG initiatives• Audit reform initiatives• Unite4Mzansi• Courageous Conversations• Government assistance programmes• Effective communication strategy	Professional Health Index Annual Stakeholder Survey score Aggregated CA2025 milestones achieved	>=60,01 % and <=85,00% respondents are above neutral
GROWTH AND TRANSFORMATION					
SAICA's continued growth and transformation requires that we 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 Leverage technology to support accreditation of institutions to grow and transform the membership base	4. Grow and transform the accountancy profession	The profession has a presence in schools to increase the member pipeline. Increased number of accredited training and higher education providers for all SAICA designations is crucial.	<ul style="list-style-type: none">• Schools and tertiary institution engagement• Thuthuka Programmes• Digitisation of Grades 10–12 accounting textbooks• Common CTA for Historically Disadvantaged Institutions	<ul style="list-style-type: none">• Media exposure on thought leadership in Nation Building per article• Conversion rate of the eligible candidates• Throughput pass percentage of Thuthuka first-time candidates and/or ITC and APC repeat programme pass rates	3 = Two exposures per article CA 75% –85% conversion rate Thuthuka candidates' pass rates are the same as the national averages

STRATEGIC PILLARS	STRATEGIC OBJECTIVES	STRATEGIC OUTCOME	STRATEGIC INITIATIVES	KPIs	TARGET 2021
ORGANISATIONAL SUSTAINABILITY					
<p>The COVID-19 pandemic highlighted the need for introspection around organisational sustainability, challenging SAICA to become faster and more agile to deliver member value, achieve relevance and impact on society</p> <p>This requires that we reduce existing divisional silos, embark on a cultural transformation journey and review the organisation's structure to ensure it is still fit for purpose</p>	5. Achieve financial sustainability as an organisation	Achieve the budgeted surplus, as well as healthy solvency and liquidity ratios	<ul style="list-style-type: none"> • Manage working capital and investments • Digital transformation • Review the employee value proposition • Talent management • Improve organisational culture • Improve SAICA's B-BBEE score 	Surplus for the year Net cash from operations	Budget
	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 the Member Satisfaction Index from the PHI perspective		ERM Maturity Level - Stage 2 Ushintsho programme – Member Value benefits See b/down	ERM Maturity Level
	7. Empower human capital to enhance innovation and engage employees to create a better-engaged organisation	By elevating the 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 organisation by building a culture that allows experimentation and where people adopt a 'fail fast and pivot swiftly' mentality		Staff Engagement Survey	Staff engagement survey: 5%–10% points improvement from 2020
	8. Transform the organisation	Efficient and effective procurement process to improve B-BBEE level		B-BBEE level	B-BBEE: Level 4 ;



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GOVERNANCE REPORT: 2020

HIGHEST STANDARDS OF GOVERNANCE

SAICA is committed to the highest standards of governance, enabling us to preserve the Institute's and profession's sustainability and to create long term stakeholder value.

By inculcating a positive culture of ethics and values, the SAICA Board enables the creation of value for SAICA stakeholders on a fair and equitable basis.

SAICA and its Board promote the following fundamental principles:

- *Integrity* – to be straightforward and honest in all professional and business relationships
- *Objectivity* – to not allow bias, conflict of interest or undue influence of others to override professional or business judgments
- *Professional Competence and Due Care* – to maintain professional knowledge and skills at the level required to ensure that a client receives competent professional services based on current developments in practice, legislation and techniques, and act diligently and in accordance with applicable technical and professional standards
- *Confidentiality* – to respect the confidentiality of information acquired as a result of professional and business relationships and therefore not disclose any such information to third parties without proper and specific authority unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the chartered accountant or third parties
- *Professional behaviour* – to comply with relevant laws and regulations and avoid any conduct that discredits the accountancy profession

The Board remains SAICA's overall custodian of good corporate governance, promoting an ethical and cohesive organisational culture, effective control, compliance, accountability, responsive and transparent stakeholder engagement. The Board's primary responsibility is that of setting the strategic direction of the Institute. In tandem, the Board provides continuous oversight of material matters, risks, opportunities and

the strategic allocation of resources. In its oversight role, the Board serves as an independent check and balance to the Institute's executive management team, whose main responsibility remains to manage the business.

The Board members are diverse in their academic qualifications, industry knowledge, experience, race and gender. This diversity enables them to provide the Institute with the relevant judgement and guidance to work effectively when conducting and determining the affairs of SAICA.

THE BOARD CHARTER

The SAICA Board Charter regulates the parameters within which the Board operates and ensures the application of the principles of good corporate governance in all its dealings. Additionally, the Charter sets out the roles and responsibilities of the Board and individual members, including the composition and relevant procedures of the Board. The Charter is aligned with the provisions of the SAICA constitution.

The Charter further addresses the powers delegated to various Board committees and practices of the Board in respect of matters such as corporate governance, declarations and conflicts of interest, Board meeting documentation and procedures, including the training and evaluation of directors and members of Board committees.

The Charter is reviewed annually or as and when required during the year. In addition to the regulatory framework provided by the Charter and the terms of reference of the committees, and Board members are encouraged to seek independent advice at the company's expense during the execution of their fiduciary duties and responsibilities, if so needed. Members also have direct access to SAICA's Board secretary and members of the Executive Committee.

OUR BOARD



TSAKANI MALULEKE

NON-EXECUTIVE CHAIRMAN

CA(SA), REGISTERED AUDITOR, POSTGRADUATE DIPLOMA IN DEVELOPMENT AND PUBLIC MANAGEMENT, POSTGRADUATE DIPLOMA IN ACCOUNTANCY, BCOMM (ACCOUNTING)

Tsakani has more than 20 years' experience in the private and public sectors, spanning diverse areas including auditing, consulting, corporate advisory, development finance, investment management and skills development. She is a respected business leader with a wealth of governance experience gained through participation on numerous corporate boards and strategic committees. She is a passionate advocate and active contributor to the growth and transformation of the accountancy profession, through her work with various organisations including Business

Unity South Africa, the Presidential Advisory Council on BEE, African Women Chartered Accountants, the Association for the Advancement of Black Accountants of Southern Africa (where she is a past president), as well as the CA Charter Council (where she has served as chairman for nine years).

She currently serves as the Auditor-General of South Africa.

She is the chairman of the Nominations and Governance Committee.



JOHAN DU TOIT SC

NON-EXECUTIVE DIRECTOR

BPROC, LLB (UFS), LLM (CORPORATE LAW) (CUM LAUDE) (UJ)

Johan is a Senior Advocate of the Johannesburg Bar and a Barrister of the Middle Temple, London. He worked as an attorney from 1979 to 1984, has been an advocate since 1984 and was awarded silk in 2006. He has served as an acting judge on occasion. He is a member of the Institute of Directors (SA and UK), a non-executive director of Imisebe Yethemba, an NPO

serving the Alexandra community, and a non-executive director of Seraphim Financial Services (derivative traders).

He is the chairman of the Social, Ethics and Transformation Committee and a member of the Nominations and Governance Committee.



BABALWA BEKWA

NON-EXECUTIVE DIRECTOR

BCOM HONS, MBA

Babalwa has 16 years' IT experience in the public sector and in the banking, telecoms and insurance industries. Her core skills are in IT innovation, digital strategy and organisational transformation management, digitisation strategy implementation including mobile application design, product innovation, digital marketing strategy and social media. She is currently Head of the

Strategic and Systems Programme Office at Discovery Health Systems and serves as a non-executive director on the Caliba Group board.

She is the chairman of the Digital Transformation Governance Committee and a member of the Audit and Risk Committee.



YASMIN FORBES

NON-EXECUTIVE DIRECTOR

MBA, CHARTERED DIRECTOR (CD(SA))

Before starting her own business, Yasmin worked with technology multinationals such as WordPerfect Corp, Novell, Hewlett Packard, Microsoft and Oracle predominately in strategy, sales, and technical and business development. She coaches executives/directors on being tech-savvy in an environment where the cloud, Big Data, mobile, social media and the Internet of Things

are changing the way businesses operate and how modern societies work. She is currently the chairman of the council of the University of the Western Cape.

She is the Lead Independent Board member, a member of the Social, Ethics and Transformation Committee and a member of the Digital Transformation Governance Committee.



ILSE LUBBE

NON-EXECUTIVE DIRECTOR

CA(SA)

Ilse is an Associate Professor in the College of Accounting at the University of Cape Town. She is currently a member of the Accounting Standards Board, its Technical Committee and the SAICA Public Sector Committee. She has been a member of the South African Accounting Academy (SAAA) Exco since 2013 and is associate editor of *Accounting Education*, an international journal, and the *South African Journal of Accounting Research* (SAJAR).

She was responsible for the planning, registration and development of the curriculum for the new Postgraduate Diploma in Public Sector Accounting at UCT and has been the programme convener since its launch in 2015. She is the lead author of the textbook *Financial Accounting: IFRS Principles*.

She is a member of the Social, Ethics and Transformation Committee and a member of the Human Resources and Remuneration Committee.



BONOLO RAMOKHELE

NON-EXECUTIVE DIRECTOR

CA(SA)

Bonolo is an entrepreneur and the founder and executive chairman of the Differentia group of companies. He is partner in charge at Differentia Chartered Accountants, a partner of Huruma Inc, and part owner of a healthcare start-up focusing on cervical cancer (Heal IT). His board experience includes as chairman of the Audit Committees at CJC TVET College and Matthew Goniwe School of Leadership and chairman of the finance committees at

Gauteng CET College. He is a trustee of the South African National Aids Council Trust and the treasurer-general of the Black Business Council. His awards include the World Economic Forum Global Shapers Alumni and SAICA Top 35-under-35 in SA (2014).

He is the chairman of the Human Resources and Remuneration Committee and a member of the Digital Transformation Governance Committee.



MONICA SINGER

NON-EXECUTIVE DIRECTOR

CA(SA)

Monica was the first CEO of South Africa's Central Securities Depository (CSD), Strate, and has served on numerous boards and in advisory positions including as the vice-president of the African Middle East Regional Association of CSDs (AMEDA), as a member of the World Forum of CSDs (WFC), Strate Charity Shares, and chaired Afrika Tikkun Investment Trust for ten years. She is currently South Africa Lead for Consensys, which is assembling the tools needed to build and scale a world where distributed applications enable a new class of frictionless, global commerce with inclusion for all. She is one of the patrons of the Corporate Governance Framework (CGF) Research Institute in South Africa, a board member of the Global Legal Identifier Foundation (GLEIF) and Professor of Practice in the School of

Accounting at the University of Johannesburg. She represents Consensys on the Accounting Blockchain Coalition (ABC) board. ABC is defining market practices in accounting, auditing and tax for digital assets and distributed ledger technologies, including blockchain.

She has been recognised over the last 20 years with many awards, the most notable being as the first winner of the Conscious Company Award in 2017.

She is a member of the Nominations and Governance Committee and a member of the Human Resources and Remuneration Committee.



PATRICIA STOCK

NON-EXECUTIVE DIRECTOR

CA(SA), CD(SA), REGISTERED AUDITOR, MDP:B-BBEE

Patricia is a qualified Chartered Director (South Africa) member of the IoDSA with extensive and broad governance experience. She has more than 14 years' operational and senior management experience and is currently the CEO of Africa Rise and Shine (AfricaRAS) Group. Prior to that, she was an audit partner and Head of Transformation for the group of companies under BDO SA and discharged various senior management roles in audit and audit quality assurance at the Auditor-General

of South Africa. She has served in various Boards, both in the public and private sector and discharged various committee chairmanship roles.

Patricia is a strategist; she has a passion for people development and growing what she is entrusted with. She has a solid track record in leading and managing organisations, strategic business units, and teams in challenging and diverse environments.



REFILWE MATENCHE

NON-EXECUTIVE DIRECTOR

CA(SA)

Refilwe has extensive governance experience as the chairman of the Health and Welfare SETA under the Department of Higher Education and Training and as a board member of the Free State Development Corporation. She is currently a lecturer at the University of South Africa (Unisa) in the Department of Auditing and was recognised for her outstanding performance at the University of Witwatersrand, becoming a member of the Golden Key International Honour Society. Her passion for gender equality

led her to found the African Women's Movement, a non-profit organisation for women professionals, and she was a finalist in SAICA's Top 35-under-35 2018 for her outstanding contribution towards women-empowering initiatives.

She is a member of the Audit and Risk Committee and a member of the Social, Ethics and Transformation Committee.



JACOBUS (KOBUS) SWANEPOEL

EX-OFFICIO DIRECTOR

CA(SA)

Jacobus is the president of the SAICA National Council and a member of the Initial Professional Development Committee. He served as a director of the Thuthuka Education Upliftment Fund and is actively involved in professional development at different levels. He has more than 25 years' experience in the profession

and has served for more than ten years on various committees of SAICA. He was appointed to the SAICA Board in July 2016.

He is a member of the Social, Ethics and Transformation Committee.



SITHEMBISO FREEMAN NOMVALO

CHIEF EXECUTIVE OFFICER

Freeman is a non-executive director of various companies. He was the CEO of the State Information Technology Agency. With over 25 years' work experience, 17 of which were at a senior level both in the public and private sectors, he was the first African and longest-serving Accountant-General of a democratic South Africa. During this time, he served on multiple public sector boards. He led the team that drafted and presented the Audit Profession Act 2005 and worked with 18 Caribbean countries at the request

of the Commonwealth Secretariat to develop their country governance framework. Freeman assisted Judge Christopher R Nicholson in the committee on the ministerial probe into the financial affairs of Cricket South Africa. He recently served on the Ntsebeza Inquiry into certain SAICA members employed by KPMG South Africa during various engagements with public and/or private entities. Freeman was appointed CEO in February 2019.



FANISA LAMOLA

CHIEF OPERATING OFFICER

CA(SA)

Fanisa's professional career started in 1995 at Anglo American, after which she joined JP Morgan Securities as a management accountant. She progressed to join KPMG, Polokwane Office, in the position of manager municipal finance. She later joined the Limpopo Provincial Treasury, where she worked as the provincial accountant-general. Prior to joining SAICA in May 2012, she was

the city manager for the City of Polokwane, a move that bolstered the city's good governance standing and socio-political profile as she was the first female municipal manager to be appointed by the city. She served on various committees and councils, including being the chairperson of the Limpopo University Advisory Council for the School of Accounting.

BOARD MEETINGS

The Board uses its meetings to discharge its governance and regulatory responsibilities. Meeting agendas follow an approved annual work plan and also provide for the inclusion of urgent non-routine matters. Meeting agendas comprise management reports on operational and financial performance as well as matters of strategy execution and risk and opportunities; governance, compliance and legal issues; and matters otherwise reserved for Board decision-making.

The Board met seven times during the year (refer to www.saica.co.za for Board meeting attendance).

BOARD STRATEGY

The key SAICA strategic focus areas for the Financial Year 2020 were approved by the Board and incorporated the following strategic pillars:

- *Member Value*: Delivering better member value and offerings that will see our members remain relevant and in high demand in the marketplace
- *Relevance and Reputation*: Continued relevance of the accounting profession and the creation of an ethical culture within our profession in the service of public interest
- *Growth and Transformation*: Growth and transformation of the accounting profession, in terms of race and gender and in line with the overarching national agenda
- *Internal efficiencies*: The enhancement of internal efficiencies and effectiveness so that the Institute can better service its stakeholders

Progress against these strategic pillars in 2020 is discussed in the 'Performance against 2020 strategic objectives' section on page 80.

KEY GOVERNANCE MATTERS ADDRESSED IN 2020

With regard to the Governance Review of 2019, the Board decided that Phase II of the Governance Review would continue under the supervision of the new Board and that it would be a priority to review the disciplinary process and amend the relevant SAICA by-laws. As a result, the SAICA by-laws were reviewed and the SAICA Disciplinary Code re-written. More detail on this aspect can be found in the 'Disciplinary Matters 2020' section on page 74.

In addition, the Board prioritised the alignment of the regional constitutions with the new SAICA constitution and management worked closely with the Social, Ethics and Transformation Committee. At the time of writing this report, all but one region had formally approved and adopted new charters to bring them into alignment with the new SAICA constitution.

The aftermath of the adoption of the new SAICA constitution at the AGM in 2019 necessitated the formalisation of the relationship between the Board and the National Council. A memorandum of understanding was drafted and adopted by both structures to ensure alignment of purpose.

The Board had also noted the need for additional amendments to refine the new SAICA constitution based on a number of requests and suggestions by members. The constitutional review initiative commenced on 1 June 2020 when members were requested to provide

suggestions to further enhance the SAICA constitution. Members were specifically requested to take the time to motivate their proposed amendments to the constitution and send these to the Governance Division of SAICA by e-mail. Following the consideration of comments received from members and management, amendments were made to the SAICA constitution for review by the SAICA Board and these amendments will be tabled at the upcoming AGM on 27 May 2021.

The finalisation of these projects will conclude Phase II of the Governance Review.

KING IV STATEMENT OF COMPLIANCE

The SAICA Board embraces the outcomes of King IV™, being an ethical culture, effective control, good performance and legitimacy. Efforts to further embed the King IV™ principles into the Institute's day-to-day business activities were undertaken. The Board is satisfied that the Institute is aligned with the key principles and are mindfully overseeing the application of the relevant practices.

BOARD EVALUATION

In accordance with the requirements of the SAICA constitution, the Nominations and Governance Committee appointed an independent service provider to evaluate the performance of the Board, its chairman, the Board committees and their chairmen during the 2020 financial year. The evaluation was in the form of a questionnaire (rating scale: 1 = Poor; 2 = Needs improvement; 3 = Satisfactory; 4 = Good; 5 = Outstanding) accompanied by one-on-one interviews.

The only area that was rated less than 'satisfactory' (at a score of 2,89) relates to content of papers and information provided to the Board. It was the view of the members of the Board that papers could be more focused on the key issues. Information provided to the Board should also be more strategic and less operational. This area and some other areas have been prioritised for improvement.

The highest-rated area (at a score of 4,67) was the performance of the Board chairman. Members of the Board indicated in their responses that she provides effective leadership and conducts meetings effectively.

The conclusion of the independent evaluator was as follows:

'Overall, the outcome of the evaluation was positive not only in terms of ratings but also comments raised at the interviews, with the Board members indicating that the Board is in general performing all its key functions effectively.'

BOARD COMMITTEES

To support it in its broader oversight and governance role, the Board has five standing committees through which it executes some of its duties, namely:

- The Audit and Risk Committee
- The Digital Transformation Governance Committee
- The Nominations and Governance Committee
- The Human Resources and Remuneration Committee, and
- The Social, Ethics and Transformation Committee

GOVERNANCE FRAMEWORK

The governance framework prescribed by the SAICA Constitution enables the Board to oversee, assess and approve the strategic direction, financial and non-financial performance areas, resource allocation and risk appetite of the Institute. It also supports the Board in ensuring that it can hold the executive team accountable for the execution of the Institute's strategy and financial as well as non-financial key performance areas.

BOARD DIVERSITY

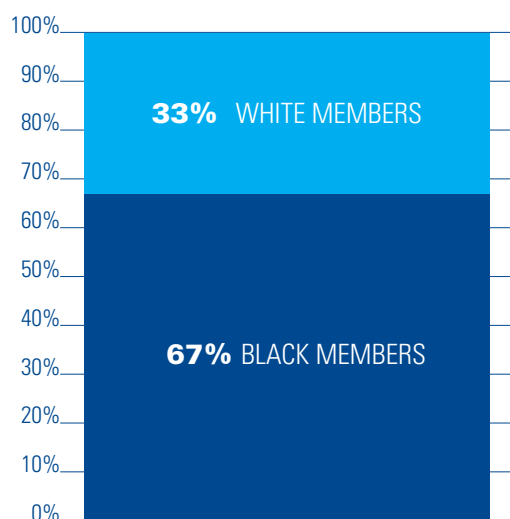
Race, gender, disability and diversity, relevant skills and expertise, and knowledge of the core skills of the profession enhance the composition of a truly diverse Board. They also assist in achieving a sustainable competitive advantage for the profession.

It is the policy of the Board that all facets of diversity will be considered in determining the optimal composition of the Board which, where possible, will be balanced appropriately.

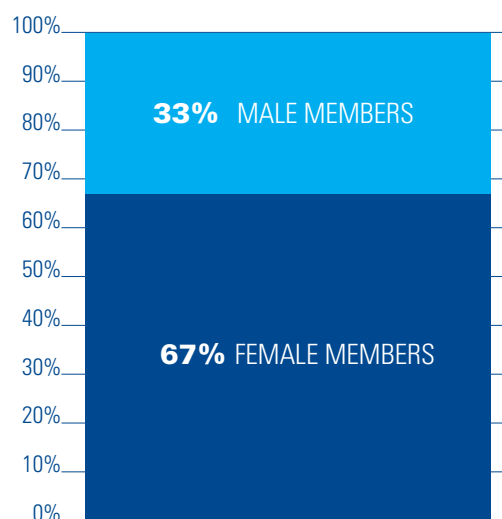
The following is short summary of the current Board composition:

- There are three non-CAs on the Board, which is the maximum allowed by the constitution.
- There are three ex-officio members on the Board:
 - o The CEO
 - o The COO, and
 - o The president of the SAICA Council

THE RACIAL DEMOGRAPHICS ARE AS FOLLOWS:



THE GENDER DEMOGRAPHICS ARE AS FOLLOWS:



BOARD FOCUS AREAS

- Ensure that strategic objectives are set and achieved in line with the purpose and objectives of the Institute
- Establish a policy framework and funding model within which the organisation must operate
- Act as the custodian of corporate governance in the Institute
- Ensure the Board committees discharge their functions appropriately in relation to meeting strategic plans and budgets
- Monitor the activities of trusts, non-profit organisations and social responsibility projects established by the Institute, as determined in the Institute's Delegation of Authority
- Appoint, set performance criteria and evaluate the performance of the CEO
- Ensure that the Institute maintains a robust process for identifying, prioritising, managing, mitigating, monitoring and reporting critical risks through the Audit and Risk Committee
- Ensure that the Institute and its members, associates and trainee accountants adhere to the highest standards of ethics and competence, that the relevant designations are protected and that the profession is trusted
- Oversee the disciplinary process with regard to members, associates and trainee accountants
- Promote and monitor transformation in the profession
- Review and approve appropriate by-laws
- Engage with stakeholders and members

CONFLICTS OF INTEREST

Every Board and Board committee meeting is preceded by a declaration of interests on the matters that are on the agenda. In a case where there are material interests, a member is recused from the meeting and does not participate in the decision-making on the particular matter. In addition, a general disclosure of interests is conducted on an annual basis and the interests register is maintained and kept by the Board secretary.

CHAIRMAN AND CEO

The roles of the chairman and Chief Executive Officer are clearly defined and differentiated, as set out in the SAICA Board Charter.

The chairman of the SAICA Board is annually elected by the Board following the AGM. The SAICA constitution prescribes that the chairman must be an independent non-executive member of the Board with no executive or management responsibilities. He or she may also not be a member of the Council.

It is the responsibility of the Board to appoint a CEO. The CEO is delegated with authority from, and accountable to the Board for the development and successful implementation of the Group strategy and the overall management and performance of the Institute to achieve its purpose and goals.

THE LEAD INDEPENDENT

It is prescribed by the constitution that the Board must appoint a Lead Independent Board Member to assist the chairman in the execution of their duties and such other functions as the Board may wish to delegate to the Lead Independent Board Member in the Board Charter. Like the chairman, the Lead Independent Board Member is annually elected by the Board following the annual AGM.

THE NATIONAL COUNCIL

SAICA is a member organisation and therefore members must have a say in the governance of their Institute. As such, the SAICA National Council must represent SAICA members' interests facilitated through input from the regional councils.

In 1980 when SAICA was established, its chief governance vehicle was a council comprising councillors appointed by each of the provincial societies (geographic representation).

In terms of the new constitution, a council elected by regional and constituency bodies to represent the full spectrum of SAICA members (regional, firms, members in business, associates, interest groups, etc.) taking cognisance of race, gender and disability must be elected and shall serve as an advisory forum to the Board and must:

- Elect a president who will chair the Council
- Serve as a consultative forum and consider, apply their minds and, at the request of the Board, provide advice to the Board on matters relating to the strategy of SAICA and the CA(SA) profession and associated designations, and where appropriate, management
- Represent SAICA members' interests facilitated through input from the regional councils and other relevant sources to the Board and management
- Provide input to the Board for the appointment of members to the Board

- Consider and award lifelong and honorary life membership to members
- Recommend changes to the professional Code of Ethics for approval by the Board

The Council meets at least twice a year, and the current composition of the Council at meetings is shown in the table below.

MEMBERS	PORTFOLIO
Kobus Swanepoel	President: SAICA National Council
Conrad de Wee	Central Region Representative
Akash Singh	Eastern Region Representative
Harish Ramsumer	Eastern Region Representative
Thembelihle Mbatha	Northern Region Representative
Hester McClintock	Northern Region Representative
Nelis Van Niekerk	Northern Region Representative
Anine AB Pheiffer	Southern Region Representative
Sandile Phillip	Southern Region Representative
Sibusiso Nduna	ABASA
Zama Khanyile	AWCA
Shaun Osner	Members in Business Interest Group
Ismail Lambat	Members in Business Interest Group
Dion Shango	Large Practices Interest Group
Brian Eaton	Large Practices Interest Group
Faizal Suleman	National Small & Medium Practices Interest Group
Coen Stokes	National Small & Medium Practices Interest Group
Zakariya Husein	Public Sector Interest Group
Sean Kerr	Associate Colleges – AGA(SA)
Mayur Shah	Associate Colleges – AGA(SA)
Gary Sherwood	International: ASPAC Region Representative
Natasha Holbeck	International: Americas Region Representative
Mark Chasey	International: EMEAS Region Representative
Gary Edward Swartz	Academic Forum
Freeman Nomvalo	SAICA CEO (ex officio)
Fanisa Lamola	SAICA COO (ex officio)

COMMITTEE REPORTS

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

ABOUT THE COMMITTEE

The purpose of the Social, Ethics and Transformation Committee (SETCO) is to assist the Board in ensuring that the Board discharges its oversight responsibilities with regard to safety, security, health, environmental, social, ethics, transformation and sustainable development matters and stakeholder relationships and to ensure the Institute upholds the principles of good corporate citizenship and conducts its business in an ethical and sustainable manner.

THE KEY VALUE-CREATING ACTIVITY FOR 2020

SETCO is a novelty among the SAICA Board committees, brought about by the adoption of the 2019 SAICA constitution that provides for such a committee. The necessary adaptations were made to tailor SETCO's activities in a non-commercial setting. The role of SETCO is under continuous revision to ensure that value can be added to the activities of SAICA and its members.

Constitutional documents

Phase II of the governance review process had to be undertaken by the Board elected in October 2019. The Board delegated the oversight of the process to SETCO. The by-laws – which include the Disciplinary Code – are the product of almost three months' debate, drafting and inputs from various legal resources. They were approved by SETCO in March 2020 and by the Board in April 2020 for implementation from 1 June 2020. Subsequent necessary amendments were considered by SETCO and approved by the Board.

Three matters of the by-laws stand out:

- The Disciplinary Code provides for streamlined processes to enable efficient and speedy finalisation of proceedings against members.
- The Board is entitled to cancel the membership of any member who has been convicted of a criminal offence in which violence is an element, including public violence, murder, rape, sexual assault, robbery, assault and/or torture and where the member has been sentenced to imprisonment without the option of a fine.
- A member's membership of to SAICA will not be cancelled where he/she satisfies the Professional Conduct Committee that the member's sequestration was either due to exceptional circumstances or to 'legitimate business-related circumstances'. The inclusion of the term 'legitimate business circumstances' seeks to address the concerns that members engaged in business and entrepreneurial

activities were being unfairly prejudiced by the cancellation of their membership due to sequestration. This amendment recognises that persons are able to become rehabilitated from sequestration in a shorter period than the usual automatic rehabilitation period of ten years.

SETCO is responsible for overseeing SAICA's standing in terms of the principles set out in the United Nations Global Compact. Management reported regularly on SAICA's activities relating to:

- Good corporate citizenship
- Effective management of ethics
- Procurement
- Human rights
- SAICA's standing in terms of labour and employment
- The Employment Equity Act and the Broad-Based Black Economic Empowerment Act
- The environment
- Anti-Corruption, and
- The Organisation for Economic Cooperation and Development

International developments

The UK's Brydon and Kingman reports and other reports regarding international developments in the chartered accountancy field were considered and remain an agenda point to ensure that SAICA learns from and adapts to international trends where necessary to stay ahead of developments.

Ethics and compliance

Based on the Ethics Programme which was approved by SETCO at their 25 March 2020 meeting, the Ethics and Compliance function has made progress in terms of the Ethics Programme. It is widely acknowledged that the trust in the accounting profession has been seriously eroded by recent high-profile cases relating to state capture and corporate failures as well as a few CAs(SA) being involved in theft, fraud, corruption and money laundering to name but a few. Unethical behaviour lies at the heart of all these cases and it is imperative that in order to restore trust in the profession, a plan be developed and implemented to improve our members' and associates' ethical acumen. The decision was made to consolidate the ethics agenda and create an Integrated Ethics Plan (IEP) for SAICA and its members, led by an IEP working group. The purpose of the initiative is to promote a sustainable ethical culture in the

profession which should in turn assist with restoring trust and reputation.

The Employee Code of Ethics, Code of Conduct, Disciplinary Policy and Code, Fraud Prevention Policy, etc. have been made available to employees and other stakeholders via SAICA's policy register on the intranet, Microsoft Teams and on the SAICA website. The Employee Code of Conduct imposes a duty and responsibility on employees, service providers and other stakeholders who have adopted the code or the principles thereof, via a contractual agreement or otherwise, to report non-compliance to the policy owner. Alternatively, they must report such via SAICA's anonymous Tip-off Hotline.

The Social, Ethics and Transformation Committee met three times during the year. The meeting attendance register can be viewed by accessing this link https://www.saica.co.za/Portals/0/documents/2021/GOVERNANCE_REPORT_vers_3_with_Nomco_comments.pdf

Johan du Toit SC

Chairman of the Social, Ethics and Transformation Committee

15 April 2021

AUDIT AND RISK COMMITTEE

ABOUT THE COMMITTEE

The Audit and Risk Committee (ARC) provides assistance to the Board of SAICA in discharging its oversight responsibilities and function over SAICA and any other legal entity under SAICA's management and/or control. The primary responsibility of the ARC is to provide oversight of the financial reporting process, the audit process, SAICA's system of internal controls, and compliance with laws and regulations. Through this committee, the Board also ensures that the Institute maintains a robust process for identifying, prioritising, managing, mitigating, monitoring and reporting critical risks.

THE KEY VALUE-CREATING ACTIVITY FOR 2020

This report from the Audit and Risk Committee (ARC) to the members of SAICA provides a summary of the work that the Committee focused on during the 2020 financial reporting period. The ARC has complied with its responsibilities arising from SAICA's constitution and by-laws. The ARC sufficiently covered the scope of the agreed work plan in discharging its responsibilities in line with the approved terms of reference. The ARC is accountable to the Board and has an oversight function for matters reported below.

Other Board sub-committees, which supported the ARC in matters relating to risk and governance oversight, include the Digital Transformation Governance Committee (DTGC), Human Resources and Remuneration Committees (HR/RemCo), Social and Ethics Committee (SETCo) and the Nomination and Governance Committee (NomGov). The ARC has not received any complaints relating to the

external audit of SAICA, the content or auditing of SAICA Group and Institute Annual Financial Statements as at 31 December 2020 and the 2020 Annual Integrated Report.

The assurance expressed by the ARC is based on the work of different assurance providers such as the external audit performed by Mazars, the outsourced Internal audit performed by Nexia SAB&T, internal assurance providers provided by the Institute notably the ones of risk management, finance function and compliance unit. The ARC obtains an understanding of the activities and risks associated with the various developments by reviewing management reports and by interacting with various relevant stakeholders.

EXTERNAL AUDITORS, INTERNAL AUDITORS, RISK MANAGEMENT AND COMPLIANCE UNIT

The external auditors, internal auditors, and the executive management of SAICA retained an unrestricted access to the ARC during the 2020 year and private sessions where held with the ARC as was necessary.

ENGAGEMENTS WITH MANAGEMENT AND FINANCE FUNCTION

The ARC met during the past year with the management of SAICA and was provided with feedback on the evaluation of the finance function performance. The ARC is of the opinion that there are opportunities to increase staff capacity of the finance function and is satisfied with the leadership expertise and skills of the finance team. The leadership of the Chief Financial Officer in the discharge of the finance duties and responsibilities of ensuring that assets of SAICA are safeguarded and financial sustainability goals are achieved was found to be satisfactory.

The ARC reviewed the 2021 annual budget with extensive consideration of how SAICA management have responded to the impact of COVID-19 on the Institute and its members and on the basis of the review, recommended to the Board the approval of the 2021 annual budget. In addition, the ARC reviewed and recommended to the Board the approval of SAICA Group Investment and Reserves Policy.

EXTERNAL AUDITORS

The external auditors are responsible for the audit of SAICA's financial statements. In order to be able to rely on the work performed by the external auditors, the ARC has properly monitored external auditors' activity, by requesting oral and written reports, by reviewing the external auditors' deliverables and making further inquiries and through a formal meeting before adopting their reports.

The ARC held discussions with the external auditors as planned, to keep the ARC briefed on the audit progress, the audit and accounting matters. The ARC held a closed session meeting with external auditors before giving its clearance on the audit of the SAICA Group and separate entities' financial statements. The ARC received assurances that the audit process went as planned, with full support from SAICA management.

The ARC regularly assesses the external auditor's independence, including the absence of conflicts of interests and the ARC is satisfied with the independence

and objectivity of the external auditors. The ARC reviewed the annual audit plan and considered the scope and fees to be paid to the auditors. The ARC reviewed and pre-approved all non-audit services in line with the SAICA policy for non-audit services to ensure that independence of auditors is upheld.

INTERNAL AUDIT

The internal audit unit is an independent outsourced function of SAICA with a direct reporting line to the ARC. The internal audit's reports issued and received were examined and discussed and the ARC made recommendations as appropriate. In addition, updates of the status of implementation of the related agreed action plans were considered with management's commitments to address the reported observations. The internal audit coverage plan for 2020 was considered and approved by ARC. The ARC took note of the outcome of the evaluation, together with key conclusions and recommendations raised. In addition, the status of implementation of internal audit action plan was monitored.

The outcome of the internal audit review and timely implementation of internal audit recommendations and action plan is a key indicator that the internal control environment is adequately maintained and is also evidence of an effective and sound risk culture. The ARC highlights the need for continuous timely implementation of the outstanding internal and external audit reported matters as followed up by internal audit and monitored by the Risk Management Unit. The ARC took note of the internal audits overall satisfactory opinion on the control environment with some areas of improvement.

The ARC regularly assesses the internal auditors' independence, including the absence of conflicts of interests and the ARC is satisfied with the independence and objectivity of the internal auditors. The SAICA's Internal Audit has performed additional reviews in the year under review within the set limits and the scope of work and fee as approved by the ARC. The ARC was informed about the outcome of the internal quality review performed in respect of the effectiveness of internal audit processes, practices, and standards in view of its mission and role set out in the Internal Audit Charter. The ARC was satisfied with the internal quality review of the internal audit function, however resolved that an external independent quality review be conducted. The ARC considered and recommended the reviewed Internal Audit Charter for approval by Board.

Additionally, ARC considered the IT governance as part of the risk governance oversight function of which feedback from the Digital Transformation and Governance Committee was presented at the ARC quarterly meetings to ensure that there is combined assurance from both committees.

COMBINED ASSURANCE AND RISK MANAGEMENT

The ARC dedicated significant time during the reporting period, at each meeting, to discuss, evaluate and assess the SAICA Group's risk management practices. In obtaining assurance in relation to risk management activities, the ARC discussed and made recommendations to SAICA's management and Risk and Compliance Unit at these meetings.

The ARC addressed different aspects of risk management and regularly reviewed the quarterly risk report and

combined assurance dashboards. The ARC was satisfied with the continuous improvement in the implementation of the approved Enterprise Risk Management (ERM) Policy and Framework to effectively drive the risk culture and improve the control environment. ARC reviewed the group strategic risk reports and the detailed SAICA Group's operational risk reports where appropriate. These risk registers were timeously updated by management with the emerging risks that affect the SAICA Group and mitigating controls were implemented on a continuous basis in response to the threats that might inhibit the successful attainment of the strategic goals and the realisation of stakeholder value.

The effectiveness of internal controls was assured through the combined assurance model which identified various levels of assurance provided by management, SAICA's risk and compliance unit, internal specialists, internal auditors, external auditors and external advisers. In addition, the ARC received assurance from the Board's sub-committees on the effectiveness of the risk management processes relevant to their portfolios. Improvement is required with respect to the ARC's role with relating to the oversight over the individual SAICA entities, which is dependent on the conclusion of the stakeholder engagements and the subsequent approval of the group's governance framework. The ARC monitored the mitigation of control weaknesses and the status of compliance and was satisfied that the material compliance matters are adequately monitored and addressed. In addition, ARC considered the process for the whistleblowing reporting which is under the custodianship of the Risk and Compliance Unit and obtained the Unit's assurance that all reported matters have been adequately addressed with additional assurance for material matters being provided by internal auditors.

In addition, the ARC extensively reviewed and recommended to the Board the approval of the SAICA's Risk Appetite and Tolerance Framework and SAICA's Combined Assurance Policy and Framework.

The ARC reviewed the outcome of all assurances providers and noted that there has been an improvement in the status of controls, with some areas that need improvement as reported by the internal and external auditors. As such the ARC found that the system of internal control was satisfactory with areas of improvement.

COMPLIANCE FUNCTION

The ARC reviewed at every quarterly meeting the procedures for identifying and mitigating legal and regulatory risks that could have a material impact on the business of SAICA and was satisfied with the assurances provided by management and other assurance providers regarding compliance with the legal and regulatory requirements.

The ARC noted a compliance report at every quarterly meeting. The compliance monitoring unit performed a frequent review against the compliance universe and reported on the outcome of the review as contained in the quarterly compliance reports, which indicated that there is an acceptable level of compliance with statutory and regulatory requirements, by SAICA.

The ARC was satisfied with all assurances presented before it regarding fraud and ethics and the reports obtained from the whistleblowing hotline were satisfactorily addressed. The ARC was also updated on the SAICA Group's approach to regulatory developments and tax compliance matters.

THE SAICA GROUP AND INSTITUTE ANNUAL FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020 AND THE 2020 ANNUAL INTEGRATED REPORT

SAICA GROUP AND INSTITUTE ANNUAL FINANCIAL STATEMENTS FOR 2020

The ARC examined the SAICA Group and Institute Annual Financial Statements for 2020, prepared in accordance with International Financial Reporting Standards (IFRS) and has discussed it with the external auditors, in the presence of SAICA's management and in private, in order to obtain an understanding of the audit procedures applied.

Based on the work undertaken and the information received (including the opinion from the external auditor on the SAICA Group and Institute Annual Financial Statements for 2020 and a representation letter from the Management of SAICA), the ARC confirms that the SAICA Group and Institute Annual Financial Statements for 2020, presents a true and fair view of the financial position of SAICA as of 31 December 2020 in accordance with IFRS.

ARC concurs and accepts the conclusions of the external auditor on the SAICA Group and Institute Annual Financial Statements for 2020 and is of the opinion that the SAICA Group and Institute Annual Financial Statements for 2020 be accepted and read together with the report of the external auditors.

On this basis, the ARC recommended the SAICA Group and Institute Annual Financial Statements for 2020 to the SAICA Board of which the Board has approved the submission of the SAICA Group and Institute Annual Financial Statements for 2020 to the members of SAICA on 27 May 2021.

INTEGRATED REPORT

The Committee reviewed the content of the SAICA Annual Integrated Report ensuring it is presented in accordance with the revised International <IR> Framework (January 2021). The alignment of the integrated report was also independently reviewed against the requirements of the International <IR> Framework by Mazars. On this basis, the ARC recommended the SAICA Annual Integrated Report to the Board of which the Board has approved the submission of the SAICA Annual Integrated Report on 15 April 2021, for approval by members at the Annual General Meeting on 27 May 2021.

MEMBERS, ATTENDANCE AND PERFORMANCE EVALUATION

The ARC is satisfied with the composition of members with respect to the required knowledge and skill of the members and that all members are independent Non-Executive members. The ARC held six (6) meetings during the 2020 financial year. The meeting attendance register can be viewed by accessing this link https://www.saica.co.za/Portals/0/documents/2021/GOVERNANCE_REPORT_vers_3_with_Nomco_comments.pdf

In 2021 the ARC conducted an independent performance evaluation exercise as part of the Board's effectiveness evaluation, which included a review of the adequacy of its terms of reference, roles and responsibilities, composition, relationships and communication with stakeholders. The evaluation was with a view to assess the skills, diversity and knowledge of the committee and to identify areas in which

the ARC and its processes might become more effective. The outcome of this performance evaluation exercise reflects that the ARC's effectiveness is satisfactory with some areas of continuous improvement.

In 2020, the ARC considers that it has adopted a balanced work approach during the year in terms of focus, objectives and means utilised to obtain the necessary assurance, believes that it has retained appropriate standing within the Institute and has maintained appropriate relations with executive Management and SAICA's staff, as well as external and internal auditors, while always remaining independent. In 2020, the ARC received the expected full support from the Institutes' Management and thus the ARC was able to properly discharge its responsibilities during the reporting period.

FOCUS AREAS GOING FORWARD

SAICA is also affected by the continued uncertainties because of the pandemic, economic and political changes. The outcome of these uncertainties has undoubtedly re-shaped the orientation of SAICA's operations. The ARC understands that Management's current focus is on measures to address potential impact on future business plans in implementing the SAICA strategy, the prioritisation of cost discipline, flexibility to manage the cost and revenue base over time, best use of digitalisation and automation and cyber security enhancement. The ARC will follow these developments carefully by aligning the ARC workplan as appropriate.

In 2021, the ARC will continue with its current terms of reference as a basis and will focus closely on initiatives undertaken to enhance the SAICA Group's internal control and risk management environment. These will include actions to further strengthen the oversight role of the ARC over the SAICA's controlled entities and to see that the five levels of the assurance model is effectively deployed across the Group.

The ARC will also monitor and review the actions undertaken by the SAICA management to address any remaining internal and external audit observations and to maintain, and where appropriate, enhance enterprise risk management practices. Lastly, in terms of internal and external audit and all other assurance providers, the ARC will continue to ensure that a combined assurance approach is followed and that the audits conducted follow a risk-based approach.

Patricia Stock

Chairman of the Audit and Risk Committee

15 April 2021

NOMINATIONS AND GOVERNANCE COMMITTEE

ABOUT THE COMMITTEE

The purpose of the Nominations and Governance Committee (NomCo) is to provide assistance to the SAICA Board in fulfilling its responsibility to the members of the Institute and the stakeholders by monitoring, and recommending to the Board, corporate governance principles to apply to the Institute and reviewing the performance and membership of the Board and other governing bodies.

KEY VALUE-CREATING ACTIVITIES FOR 2020

SAICA members and employees represent SAICA on various international and local bodies. The representation on the various bodies was seen as being of particular importance where the representation was associated with SAICA's advocacy role. It was agreed that there should be a clear purpose to SAICA's participation on and attendance at the meetings of the numerous local and international bodies and that this purpose should be identified in each instance, which resulted in the development of a formal Stakeholder Management Plan.

The committee also considered and initiated the ongoing revision of the governance framework of SAICA. The revised framework will ensure clear reporting obligations and management oversight.

As part of its annual work plan, the committee considered:

- Adherence to the agreed governance framework within the SAICA structures
- SAICA's policies and practices on corporate governance, and
- Conducted an annual performance evaluation of the CEO, the performance of the Board, the actual balance of race, gender, skills, knowledge and experience on the Board, and succession planning for members of the Board

The NomCo met twice during 2020. The meeting attendance register can be viewed by accessing this link https://www.saica.co.za/Portals/0/documents/2021/GOVERNANCE_REPORT_vers_3_with_Nomco_comments.pdf

Tsakani Maluleke

Chairman of the Nominations and Governance Committee

15 April 2021

THE DIGITAL TRANSFORMATION GOVERNANCE COMMITTEE

ABOUT THE COMMITTEE

The Digital Transformation Governance Committee (DTGC) has been tasked by the Board of SAICA to oversee and provide guidance on SAICA's strategic direction and investment in digital transformation and technology-related initiatives. Key initiatives include the transformation of how members interact with SAICA and improved internal processes to ensure that members' queries are attended to speedily.

Pitso Tsibolane served as the independent IT specialist on the committee until September 2020.

KEY VALUE-CREATING ACTIVITIES FOR 2020

2020 saw the stabilisation phase of Stage 1 of the Ushintsho Programme and the start of Stage 2 in the fourth quarter.

During 2020 the following key benefits were realised by members:

- Increased stakeholder satisfaction through improved engagements on:
 - o Query logging and tracking
 - o Member registration
- Reduction in printing costs as members' applications can be completed online
- Decommissioning legacy applications where functionality has been migrated to the new customer relationship management (CRM) system

In 2021 the focus will be on continuing to implement Stage 2 of the Ushintsho Programme and putting together a learning and development ecosystem that will bring together how we offer training and development programmes to members. The ecosystem will be made up of a learning management system, enhanced functionality on the Member Portal that provide an efficient booking system for events and seminars, deployment of the new CPD process and the introduction of a new electronic assessment tool. The SAICA website will also be revamped and modernised to make it easier to navigate and more user friendly.

The DTGC met three times during the year. The meeting attendance register can be viewed by accessing this link https://www.saica.co.za/Portals/0/documents/2021/GOVERNANCE_REPORT_vers_3_with_Nomco_comments.pdf

Babalwa Bekwa

Chairman of the Digital Transformation Governance Committee

15 April 2021

HUMAN RESOURCES AND REMUNERATION COMMITTEE

INTRODUCTION

SAICA's remuneration philosophy is to attract and retain the requisite talent by offering market-related remuneration in order to execute SAICA's strategy effectively. We are pleased to report that our remuneration practices were aligned with our performance and strategic objectives set for the 2020 financial year. During the past year, the Board reviewed the remuneration and reward policy, but the core remuneration policy and principles remained consistent. A few non-material changes were made to the remuneration policy, strategy and associated practices and we continue to review and adapt to changes in market conditions to ensure that they remain appropriately aligned with our overall strategy.

This report seeks to ensure that members are able to understand how remuneration decisions are made in order to assess the outcome of these decisions. We have sought to align our practices to good governance regarding remuneration, which in South Africa is primarily informed by the King Code. The COVID-19 pandemic that engulfed the globe made the governance of remuneration a critical feature of the corporate governance landscape during the year.

The alignment of remuneration to the strategic objectives of the Institute to deliver sustainable performance remained a key focus during the year. While a large portion of our remuneration structure is made up of fixed-total guaranteed packages, one of the key projects the Institute initiated was that of assessing the feasibility of awarding long term incentives as a retention strategy. The long term sustainability of the Institute is dependent on the ability to attract, develop and retain high-performing professionals that can execute the strategy.

SAICA respects and recognises its employees for their contribution made during the year and encourages them to realise their full potential. SAICA's reward philosophy is underpinned by two fundamental principles, namely:

- Recognising performance, and
- Remunerating for capability

These principles enable us to recognise staff performance and capabilities.

This report summarises the Institute's remuneration policy for non-executive directors and executive management. The information provided in this report has been approved by the Board on the recommendation of the committee.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Human Resources and Remuneration Committee comprises at least three members of the Board with relevant experience and an external remuneration specialist, Pumza Seokane, who acts independently and has been appointed by the Board.

The chairman of the committee is Bonolo Ramokhele and the company secretary is the secretary of this committee. Executive management are not members of the committee but attend meetings by invitation only and recuse themselves when conflicts of interest may arise, particularly when their performance and remuneration are discussed.

The committee's main purpose is to ensure that the Institute's remuneration practices and policies are aligned with good corporate governance. The committee acts as a formal

sub-committee of the SAICA Board and has the power to recommend to the Board for approval a developed strategy and supportive policies for the acquisition, management, retention and fair and responsible remuneration of SAICA's human capital in accordance with statutory regulations, governance requirements and best practice. In addition, the committee oversees the overall governance of human capital management, setting and administering the remuneration policy framework and strategy at SAICA and provides the Board with assurances in this regard.

The committee seeks to assist the Board in ensuring that an appropriate remuneration policy and philosophy aligned with SAICA's long term strategy, objectives and risk appetite is in place, with a specific focus on ensuring that:

- The remuneration policy and philosophy is appropriately applied throughout SAICA
- The remuneration of Board members and members of senior management is fair and responsible
- Informed decisions pertaining to the acquisition, management, development and retention of its human resources are made, and
- The results of SAICA and its senior management are reviewed

The chairman of the remuneration committee reports to the Board on the activities of the committee.

For the period under review, the committee is satisfied that it has fulfilled all its statutory duties assigned by the Board. The HR/REMCo met four times during the year. The meeting attendance register can be viewed by accessing this link https://www.saica.co.za/Portals/0/documents/2021/GOVERNANCE_REPORT_vers_3_with_Nomco_comments.pdf

REMUNERATION PHILOSOPHY AND POLICY

Philosophy

SAICA's remuneration philosophy is based on the fact that we believe great people are the foundation of our success. SAICA recognises that without the contribution of highly engaged, high-performing employees, our strategic objectives cannot be achieved. It is therefore critical for the sustainability of SAICA that we continuously attract, develop and retain high-performing employees by providing a compelling value proposition to prospective and existing employees. At the centre of the SAICA employee value proposition is the remuneration and reward strategy that balances market competitiveness and affordability.

To achieve a balance between strategy and employees' diverse needs, we continually strive to transform to a broader definition of reward – that of total rewards. To deliver on our philosophy, an enabling remuneration and rewards policy was reviewed during the year that leverages the proper mix of rewards that satisfies the personal and financial needs of current and potential employees given existing operational conditions and constraints.

To achieve this, SAICA integrates three key reward elements:

- Compensation – guaranteed remuneration (total cost to company):
 - o Fixed salary
 - o Benefits – provident fund, medical aid, wellness awareness, group risk insurance and funeral cover
- Short term incentives for performance, and
- Long term incentives for sustainable performance and retention (currently under development)

REMUNERATION POLICY SUMMARY

OBJECTIVE

The remuneration policy aims to implement the guiding principles of a standardised approach in the application of remuneration practices within all the business units and functions of the Institute.

SCOPE

The policy provides for competitive market-aligned remuneration balanced with the need for cost containment. The policy is founded on a total rewards context, which embraces all elements of the employee value proposition including compensation, benefits, recognition, career and growth opportunities, and work environment.

COMPLIANCE

The remuneration policy is reviewed every three years or as required to ensure that the terms are current, fair and representative of relevant corporate and industry conditions.

IMPLEMENTATION OF THE REMUNERATION POLICY

In order to implement the policy provisions as envisaged, the Institute developed a human resource plan which encompasses key focused initiatives that would enable the attraction, development and retention of high-performing employees. Highlights of progress made during the 2020 financial year are outlined below:

Talent and succession management

The purpose of succession planning is to ensure that plans are in place to develop potentially suitable candidates for the future. The focus remains on the retention of key and critical skills in the organisation. Succession plans for senior leaders were developed and adopted to identify high-potential candidates' talent as well as early talent. Candidates identified in terms of the adopted framework are earmarked for development which will be the focus during the 2021 financial year.

Salary benchmarking

In order to ensure that employees are remunerated fairly and responsibly, SAICA has over the years reviewed its salary scales annually to enable sound remuneration decisions during its salary review process. The salary review takes place in April each year taking into account salary movements in the national market. The services of an independent and credible remuneration consultancy firm have always been used to provide benchmark data of the national market against which SAICA benchmarks itself.

During 2020, SAICA undertook a more comprehensive and holistic remuneration review which incorporated all the various elements that influence remuneration. The independent reviews and benchmarks included:

- Executive job profiling
- Executive job evaluation
- A pay structure review, and
- Salary benchmarking

The reviews seek to ensure that SAICA at all times aligns to the strategic direction and specific value drivers. As such, remuneration will play a critical role in reinforcing, encouraging and promoting superior performance.

The overall results indicated that the Institute is remunerating its employees in line with the market and as such the following amendments are being effected to ensure equity across the board.

Long term incentive scheme design

In 2020, SAICA put more effort into investigating the feasibility of developing a long term incentive scheme. The objective is to introduce a scheme that will reward superior performers in the long term, retain key staff and drive the behaviour required to achieve the organisation's business objectives.

The Board at its meeting of 15 April 2021 did not approve the scheme.

REMUNERATION REPORT – KEY STATISTICS

Non-executive remuneration

The non-executive directors receive fees for serving on the Board and Board committees. The fees for non-executive directors are recommended by the Human Resources and Remuneration Committee to the Board for consideration. The Board recommends the fees to members for approval at the AGM of the Institute.

Executive remuneration

The Institute has a performance management process that is directly linked to either increases in total cost to company or annual short term incentive bonuses. Performance assessment sessions take place regularly throughout the year where the organisational performance, divisional and individual achievement of key performance indicators (KPIs) and delivery on key strategic objectives are discussed.

All employees are rewarded for achieving performance targets as set out in their annual performance contracts. The performance score of an employee is based on a weighted average which takes into consideration three elements: the performance of the Institute, the performance of the division within which the employee operates and the employee's individual performance. The three elements are weighted differently depending on the level of employee seniority. The respective element weighting takes into the consideration the level of authority and influence an employee carries, with higher-level employees carrying a higher percentage of the Institute's performance.

Executive remuneration disclosure

In line with King IV, the table below shows the salaries of SAICA executives (in R'000) using the single figure view.

Bonolo Ramokhele

Chairman of the Human Resources and Remuneration Committee

15 April 2021

REMUNERATION OF THE BOARD AND EXECUTIVE COMMITTEE

FIGURES IN R'000

SF Nomvalo (2019: eleven months) Chief Executive Officer (CEO)
T Nombembe (2019: two months and leave pay) Chief Executive Officer (CEO)
FL Lamola, Chief Operating Officer (COO)
C Mulder, Executive Director: Nation Building
J Mojabelo (2019: six months in acting role) Executive Director: Education
P Faber (2019: three months in acting role) Executive Director: Education
J Snyman (2019: ten months) Executive Director: Governance
W Gwaza (2019: three months in acting role; 2018: five months in acting role) Executive Director: Governance
M Bouah (2020: seven months) Executive Director: Member and Global Alliances
M McWalter, Chief Executive Officer: SAICA Enterprise Development (Pty) Ltd
N Kater (2019: nine months) General Manager: Association of Accounting Technicians (SA)
B Bekwa, Board member (Digital Transformation Committee chairman)
J du Toit, Board member (Social, Ethics and Transformation Committee chairman)
Y Forbes, Board member (Lead Independent)
I Lubbe, Board member
T Maluleke, Board member (Chairman; Nominations Committee chairman)
R Matenche, Board member
B Ramokhele, Board member (Human Resource and Remuneration Committee chairman)
M Singer, Board member
P Stock, Board member (Audit and Risk Committee chairman)
J Swanepoel, Board member
V Motholo, Independent member of the Audit and Risk Committee
V Ngobese, Independent member of the Audit and Risk Committee

2020

REMUNERATION	PENSION FUND	SHORT TERM INCENTIVE	TOTAL
4 331	–	–	4 331
–	–	–	–
2 943	211	–	3 154
2 647	286	–	2 933
–	–	–	–
–	–	–	–
2 061	156	–	2 217
–	–	–	–
1 380	101	–	1 481
991	–	–	991
–	–	–	–
353	–	–	353
237	–	–	237
271	–	–	271
235	–	–	235
375	–	–	375
319	–	–	319
262	–	–	262
217	–	–	217
280	–	–	280
199	–	–	199
112	–	–	112
98	–	–	98
17 311	754	–	18 065

2019

REMUNERATION	PENSION FUND	SHORT TERM INCENTIVE	TOTAL
3 993	–	–	3 993
1 084	–	–	1 084
3 006	209	671	3 886
2 582	287	707	3 576
928	44	–	972
444	29	–	473
1 723	130	–	1 853
385	23	–	408
–	–	–	–
981	–	–	981
1 074	69	256	1 399
91	–	–	91
73	–	–	73
95	–	–	95
73	–	–	73
141	–	–	141
97	–	–	97
91	–	–	91
36	–	–	36
103	–	–	103
36	–	–	36
–	–	–	–
–	–	–	–
17 036	791	1 634	19 461



SUPPLEMENTARY INFORMATION

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2020 SUMMARY

FINANCIAL
INFORMATION

FINANCIAL POSITION

SUMMARISED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

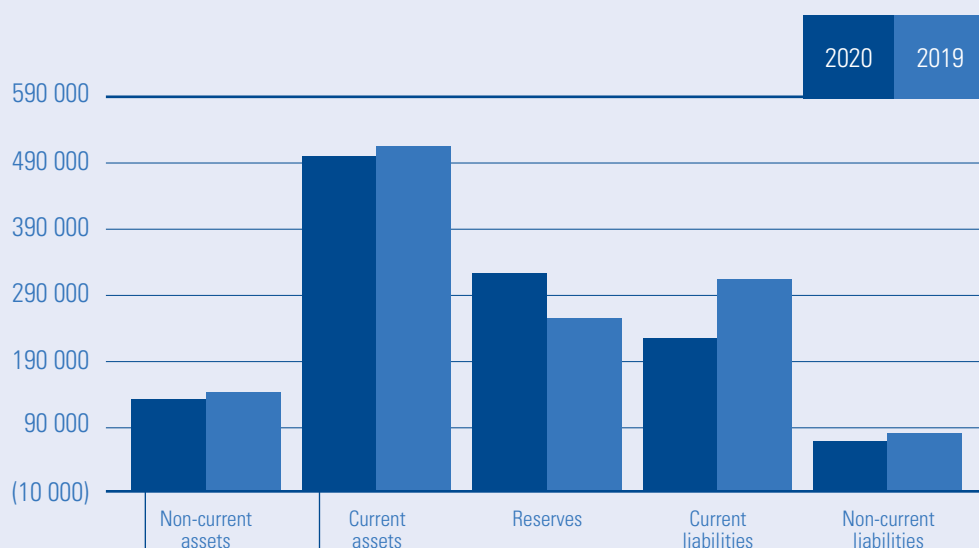
	GROUP	GROUP	CHANGE
	2020	2019	2020/19
	R'000	R'000	%
Assets			
Non-current assets	136 262	147 263	-7,47%
Current assets	493 960	514 491	-3,99%
Total assets	630 222	661 754	-4,76%
Reserves and liabilities			
Reserves	321 118	260 151	23,44%
Non-current liabilities	76 326	83 585	-8,68%
Current liabilities	232 778	318 018	-26,80%
Total reserves and liabilities	630 222	661 754	-4,76%

▼ **Assets (5%) due to:**

- Transfer of ISFAP pilot from TEUF (R116 595)
- THF Group cash reduced by R6 047 and
- Depreciation of right of use asset R13 568

▼ **Liabilities (23%):**

- Resulting from transfer of ISFAP and the related deferred income relating to unspent bursary income (R85 553) and
- Amortisation of the lease liability (R8 179)

▲ **Reserves (23%):**

- Due to the reported surplus (R61 421) distributed as follows:
 - o SAICA – R24 534
 - o THF loss – (R1 682)
 - o TEUF – R38 561

The COVID-19 impact was felt by THF Group in particular as businesses were fighting for sustainability during the hard lockdowns in the year

Capital investment:

Ushintsho slowed down R13 427 (2019: R26 197) to conclude on previous stages before work commenced on Stage 2 in the second half of year

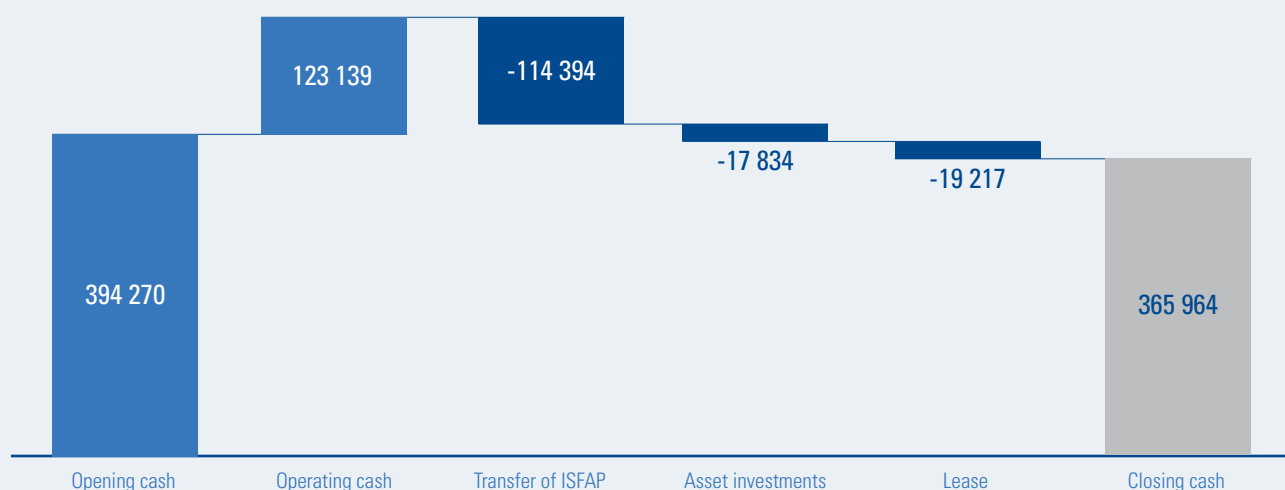
Cash comprises 74% of current assets and is distributed as follows:

- SAICA – R317 214
- THF Group – R894
- TEUF – R47 856

CASH FLOW ANALYSIS

SUMMARISED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	GROUP	GROUP	CHANGE
	2020	2019	2020/19
	R'000	R'000	%
Cash flows from operating activities before working capital changes	61 421	89 715	-32%
Cash generated by operating activities	98 359	82 583	19%
Net finance income	24 780	26 474	-6%
Net cash from operating activities	123 139	109 057	13%
Net cash from investing activities	-132 228	-33 895	290%
Net cash from financing activities	-19 217	-17 649	9%
Net increase (decrease) in cash and cash equivalents	-28 306	57 513	-149%
Cash and cash equivalents at beginning of the year	394 270	336 757	17%
Cash and cash equivalents at the end of the year	365 964	394 270	-7%



Operating activities:

Core operations realised a 13% (R14 082) additional cash better than previous year: SAICA mainly runs cash operations and close management of working capital

Investing activities:

Transfer of ISFAP resulted in R114 394 cash being transferred out of TEUF. Investment of R17 834 was towards the Ushintsho digital transformation project (R13 427) and other operating assets (R3 737) net of proceeds from disposal

Financing activities:

SAICA Group buildings are leased from third parties and the amount reflects the payments of capital (R8 915) and interest (R10 302) in line with IFRS 16

FINANCIAL PERFORMANCE

SUMMARISED STATEMENT OF SURPLUS OR DEFICIT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	GROUP	GROUP	CHANGE
	2020	2019	2020/19
	R'000	R'000	%
Revenue	413 510	441 078	-6,25%
Other income	395 799	551 501	-28,23%
Expenses	(761 385)	(918 239)	-17,08%
Operating surplus / (losses)	47 924	74 340	-35,53%
Net finance income	14 478	15 239	-4,99%
Other gains / (losses)	(981)	136	-821,32%
Surplus for the year	61 421	89 715	-31,54%
Other comprehensive income for the year	0	0	0,00%
Total comprehensive (losses) / income for the year	61 421	89 715	-31,54%

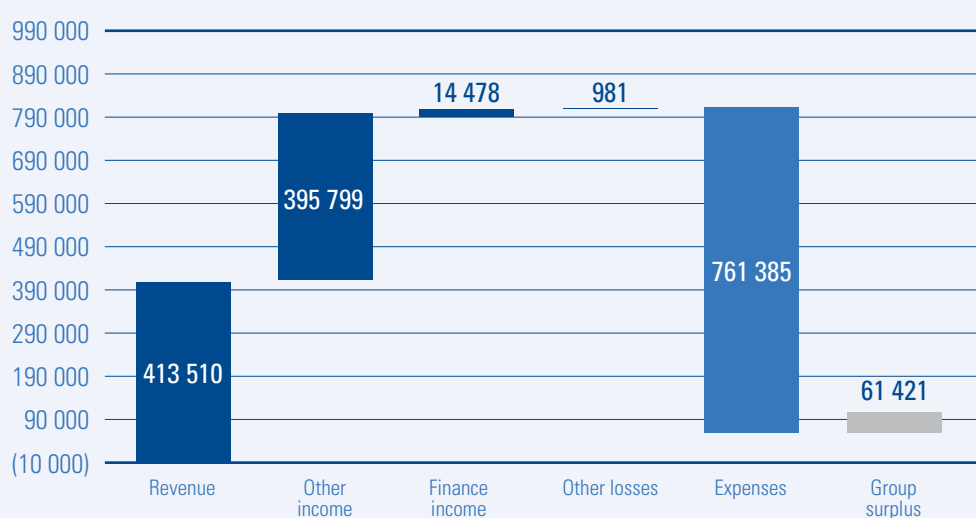
▼ Revenue (6%):

- Once-off disciplinary levy in 2019 (R27 207),
- Fewer fee-attracting seminars/events R2 804 (2019: R15 922)
- Sponsorships raised R4 810 (2019: R5 674)

▼ Other income (28%):

- Project income and donations were impacted by the lockdowns with delayed projects and donors reassessing own financial sustainability position

Reported surplus for the year declined by 31,54% to R61 421

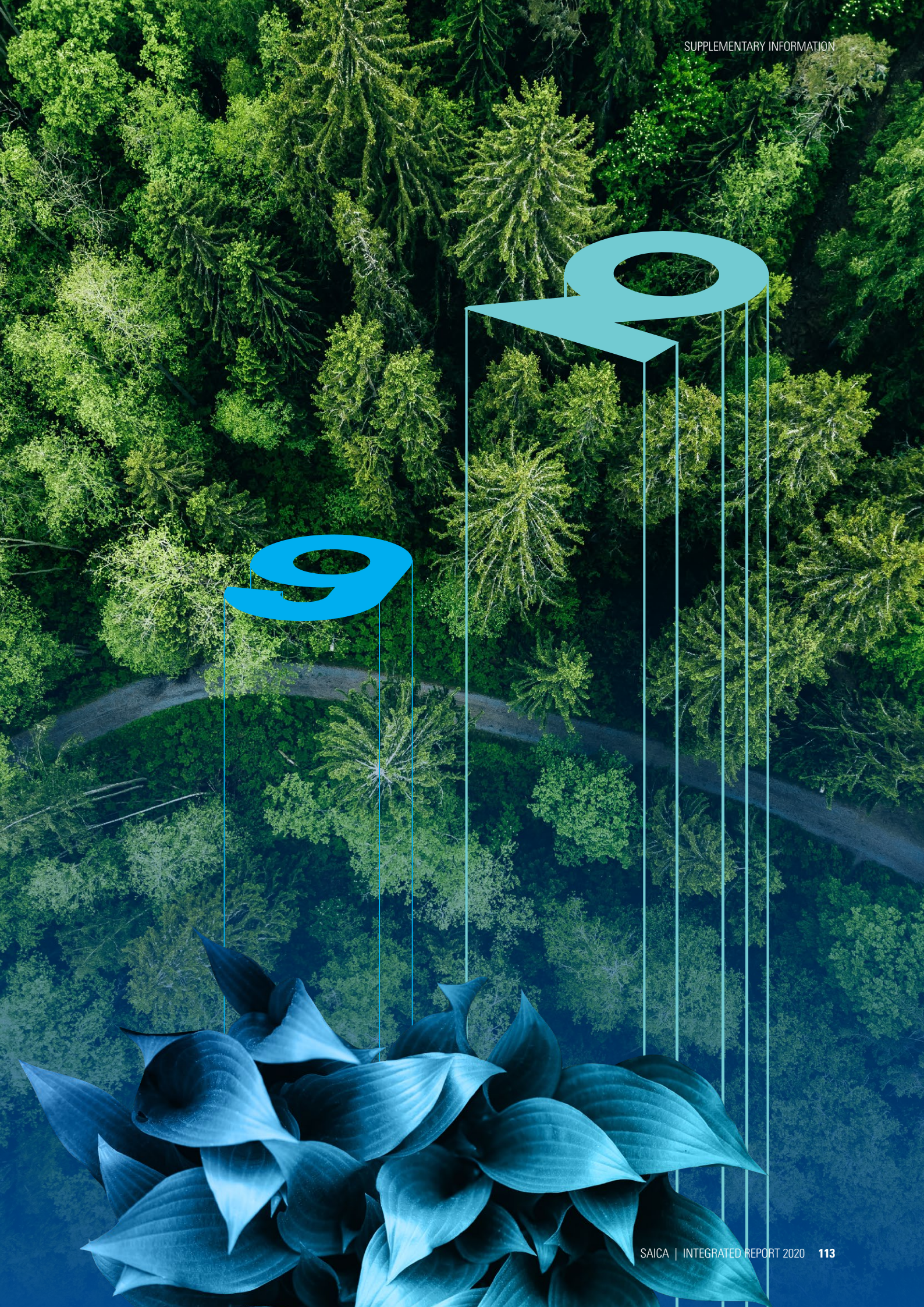


▼ Investment income (6%):

SAICA has adopted an investment philosophy biased towards low-risk asset classes and the period of low interest rates had a negative impact on the realised returns for the year: R24 780 (2019: R26 474)

▼ Expenses (17%):

- Overall expenses declined year-on-year (R156 854) in response to the COVID-19 pandemic and the necessity to relook at the operating model that resulted in:
 - o Suspension of face-to-face engagements (adoption of virtual engagements) that reduced costs of travel (R6 558), venues (R11 033) and delayed projects expenses (R184 123).
- Additional costs were spent for the following:
 - o Licences (R6 518)
 - o Legal fees (R3 426)
 - o Building maintenance (R3 677) and
 - o Short term Incentive (R22 228)



EXECUTIVE COMMITTEE



SITHEMBISO FREEMAN NOMVALO

CHIEF EXECUTIVE OFFICER

Freeman is a non-executive director of various companies. He was the CEO of the State Information Technology Agency. With over 25 years' work experience, 17 of which at senior level in the public and private sectors, he was the first African and longest-serving Accountant-General of a democratic South Africa. During this time, he served on multiple public sector boards. He led the team that drafted and presented the Audit Profession Act 2005 and worked with 18 Caribbean countries at the request of the

Commonwealth Secretariat to develop their country governance framework. He assisted Judge Christopher R Nicholson in the committee on the ministerial probe into the financial affairs of Cricket South Africa. He recently served on the Ntsebeza Inquiry into certain SAICA members employed by KPMG South Africa during various engagements with public and/or private entities. Freeman was appointed CEO in February 2019.



FANISA LAMOLA

CHIEF OPERATING OFFICER

CA(SA)

Fanisa's professional career started in 1995 at Anglo American, after which she joined JP Morgan Securities as a management accountant. She progressed to join KPMG, Polokwane Office, in the position of manager municipal finance. She later joined the Limpopo Provincial Treasury, where she worked as the provincial accountant-general. Prior to joining SAICA in May 2012,

Lamola was the city manager for the City of Polokwane, a move that bolstered the city's good governance standing and socio-political profile as she was the first female municipal manager to be appointed by the city. She served on various committees and councils, including being the chairperson of the Limpopo University Advisory Council for the School of Accounting.



CHANTYL MULDER

CA(SA)

EXECUTIVE DIRECTOR: NATION BUILDING

Chantyl joined SAICA in 1999 as head of the Education and Training Division. A year later, she was tasked with crafting programmes that would assist in transforming and growing the profession in a manner reflective of the country's race and gender realities. Through this, the Thuthuka Education Upliftment Fund was established in 2002 and its first flagship programme launched in the Eastern Cape. Also under the guidance of Chantyl, the Thuthuka Bursary Fund was established in 2005, followed by The Hope Factory in 2006 and the AT(SA) in 2010. Since inception, these initiatives have raised nearly R3 billion in independent funding. Chantyl is a former Central University of Technology council member and is currently a Walter Sisulu University council member and chair of the Finance Committee.

She also sits on the HRDC's Technical Working Group chaired by the Deputy President. The President of South Africa has also elected Chantyl to serve for another term on the Presidential Broad-Based Black Economic Empowerment Council. Through SAICA, Chantyl is currently running a R200 million project with the Department of Higher Education and Training to assist TVET colleges in the area of financial capacity-building. Chantyl was instrumental in drafting the CA Charter and leading the administrative duties associated with the Charter Council. She also served on the International Accounting Education Standards Board (IAESB) as a technical advisor when the first education and training standards were determined.



JACO SNYMAN

EXECUTIVE DIRECTOR: LEGAL AND GOVERNANCE

Jaco is a recognised and experienced specialist in various areas relating to corporate governance. These include risk management, compliance, company secretariat and administration and corporate legal advisory. He obtained BA (Law) and LLB degrees from North-West University (as it is now known) by 1992. He then qualified as an attorney of the High Court of South Africa in 1995.

He subsequently obtained two master's degrees (an MBA and LLM) as part of his formal qualifications.

Prior to joining SAICA, Jaco was with Pretoria Portland Cement Company as Executive: Secretariat, Legal, Risk and Compliance. He has also worked with Absa Bank in its Corporate Finance Division and as Head of Legal.



MARIA BOUAH

CA(SA)

EXECUTIVE DIRECTOR: MEMBERS AND GLOBAL ALLIANCES

Maria held various positions with increasing responsibilities in a number of well-known South African organisations with a focus on governance, business processes and systems optimisation, promotion of technical expertise, talent development and retention.

She has more than 20 years' experience in financial roles in many countries and her core skills are in technical aspects of the

legal and accounting professions, change management, finance process innovation and effectiveness and social development through education and training. She is particularly passionate about promoting the leadership role of finance professionals not only within the business community but within the society as a whole. Maria is also a qualified lawyer. She joined SAICA on 8 June 2020.





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