

# Celebrating transformation this Youth Month

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**As we celebrate Youth Month, our thoughts turn to education and the efforts that have been made to make education in this country more relevant, equitable and inclusive for all our youth. Indeed, as a profession, we too have much to celebrate in this regard especially when it comes to the advancement of our transformation efforts, writes Robert Zwane, Saica's senior executive: national imperatives.**

With the recent release of Saica's Initial Test of Competence (ITC) and Assessment of Professional Competence (APC) results, the chartered accountancy profession has, once again, come under intense scrutiny as to whether our ongoing transformation efforts are, indeed, delivering the results they set out to do.

This is not criticism we are unfamiliar with.

In recent years, Saica's transformation efforts have come under intense criticism when:

1. The pass rate of our two qualifying assessments are viewed as 'too high', the assumption is that we are dropping standards to fast-track our transformation goal; or
2. If the pass rate of either assessment are viewed as 'too low', our critics take this as a sign that Saica is raising standards to purposefully exclude black candidates from entering the profession.

There is no truth to either statement.

As a profession, we view the quality of our education standards and our transformation objectives as two distinct, stand-alone goals. The standard-setting and quality of the assessments are the responsibility of the Professional Development Committee (IPD) and its sub-committees. These functions are all housed in the Professional Development Unit. While the transformation matters – all aspects relating to growing and transforming the number of the candidates – are dealt with by Saica's Transformation and Growth Department.

## **Why Saica focuses its efforts on both transformation and growth**

The ultimate objective of Saica's Transformation and Growth initiatives is to grow and transform our membership base to reflect the country's population demographics both in terms of race and gender. Success will, therefore, be achieved when our membership numbers reflect the demographics of the economically active population.



*Robert Zwane, Saica's senior executive: national imperatives*



*The Thuthuka team*

Saica's transformation initiatives are governed by the Thuthuka Education Upliftment Fund (TEUF) Board, which began in 2002 when we launched our first education-related projects in the Eastern Cape in 2002. Today, in order to have a greater impact in its transformation and growth endeavours, Saica's focus, thanks to the assistance of our various strategic partners, funders and stakeholders, covers the full spectrum from 'cradle to grave'. This means that our initiatives start from an early school level and continue until a candidate is qualified and registered with Saica as a qualified CA(SA) where they are then expected to continue their professional advancement through Saica's lifelong learning exercises.

It is under the auspices of the TEUF Board, that Saica's pipeline creation priorities include, amongst others:

- Increasing the pool of learners with quality mathematics results.
- Securing sustainable funding for wrap-around support in the academic programme.
- Improving tertiary throughput pass rates.
- Building capacity across the historically disadvantaged universities through initiatives such as the common CTA programme.
- Unlocking the potential of the distance learning institutions.
- Transforming the professional examination level (ITC and APC) through initiatives that support improved throughputs.

So how do these efforts stand up?

To answer that, the most important measure for success is to look at whether Saica's membership numbers reflect growth as a direct outcome of the efforts put into transforming the pipeline of candidates who have written Saica's two qualifying assessments: the ITC and APC.

Let's take a look:

ITC candidates who Passed	2002	% of pop	2006	2010	2014	% of pop	2019	% change in passes 2002 - 2019
African	294	15%	271	323	738	32%	1 098	273%
Coloured	91	5%	82	93	154	7%	150	64%
Indian	356	18%	237	303	359	15%	384	8%
White	1 227	62%	1 194	899	1 077	46%	1 130	(8%)
<b>TOTAL</b>	<b>1 968</b>		<b>1 784</b>	<b>1 618</b>	<b>2 328</b>		<b>2 762</b>	<b>40%</b>

QE2 (PPE/FM/APC) candidates who passed	2002*	% of pop	2006*	2010*	2014**	% of pop	2019	% change in passes 2002 - 2019
African	85	6%	218	347	645	25%	705	729%
Coloured	62	4%	79	85	155	6%	104	8%
Indian	228	16%	242	302	357	14%	327	38%
White	1 037	73%	1 256	981	1 460	56%	888	(14%)
<b>TOTAL</b>	<b>1 412</b>		<b>1 795</b>	<b>1 715</b>	<b>2 617</b>		<b>2 024</b>	<b>43%</b>

Note: The table above reflects both the increase in the number of candidates passing between 2002 and 2019 as well as the huge change in the demographics as a percentage of the total population over this period. These changes are a direct result of all the initiatives and interventions Saica has put in place at every step along the way in the pipeline.

2010\* FM & PPE combined  
2014 \*\* FM, PPE & APC combined

Together with the efforts of the institution's Professional Development Unit, which focuses on protecting the standards of the CA(SA) qualification throughout the seven-year (minimum) qualification journey, Saica is confident that it is achieving the transformation and growth objectives through the steady growth in numbers and the quality of the candidates produced by the process, despite recent decreases in the pass rates of candidates in both professional assessments.

Indeed, a closer look at the numbers illustrates why we say this.

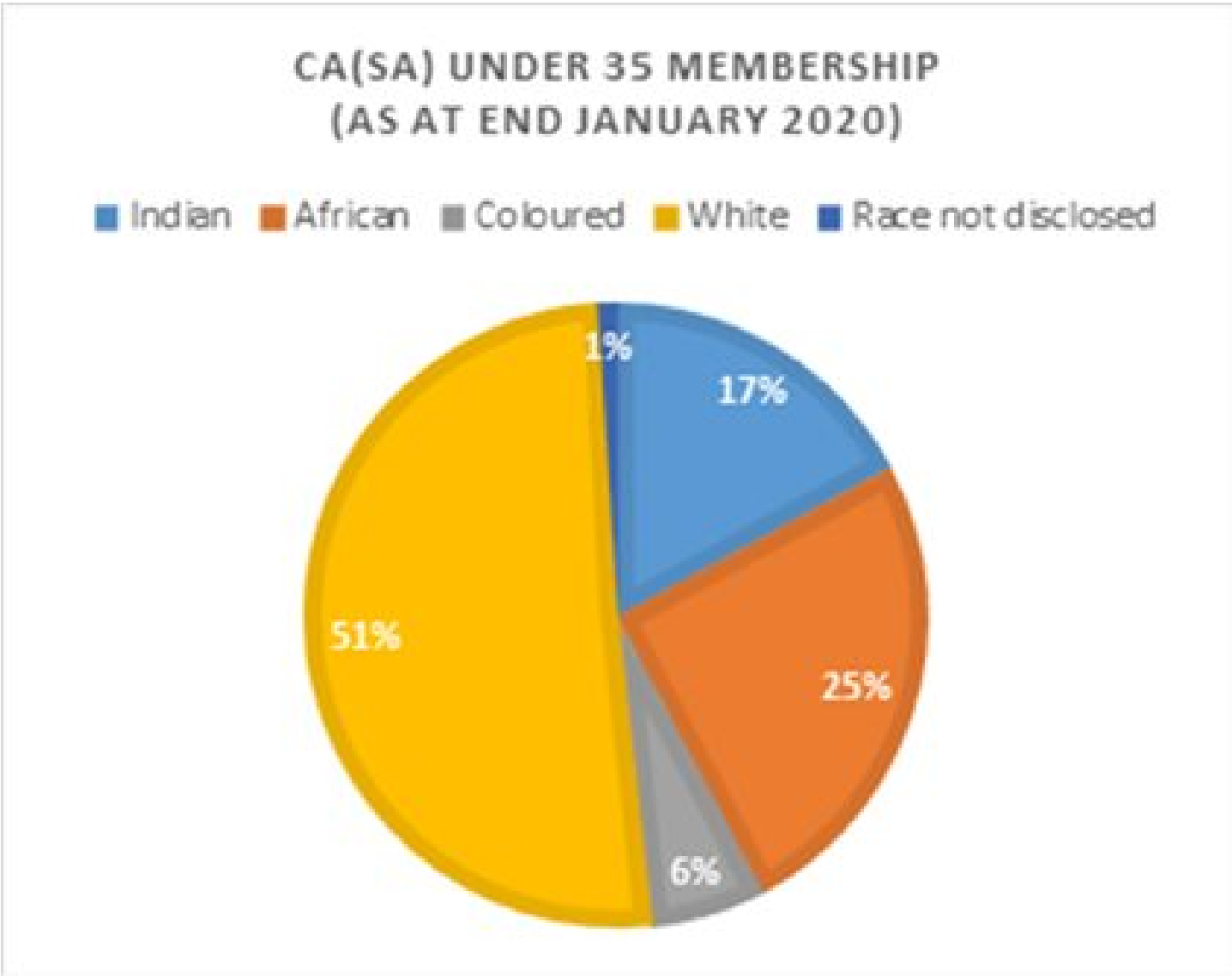
### Membership overview: the true measures of our transformation success

When looking at Saica's total membership growth between 2002 (when Thuthuka began) and 2019, you can see how much progress our transformation efforts have had. This growth is a direct consequence of our concerted efforts to grow and transform the CA(SA) pipeline.

	31-Dec 2002	31-Dec 2006	31-Dec 2010	31-Dec 2014	31-Dec 2019	% Growth in membership 2002 – 2019
<b>Members</b>						
African	322	767	1 845	3 332	6 213	1 830%
Coloured	222	446	789	1 181	1 772	698%
Indian	1 031	1 795	2 792	3 979	5 438	427%
Unknown	43	47	87	204	1 672	
Other	19 285	22 600	26 089	29 138	30 977	61%
<b>TOTAL</b>	<b>20 903</b>	<b>25 655</b>	<b>31 602</b>	<b>37 834</b>	<b>46 072</b>	<b>120%</b>
% Growth in membership (period to period)		23%	23%	20%	22%	

While impressive, the true impact of Saica's combined transformation initiatives is, however, best represented by looking at how significantly the membership base of CAs(SA) under 35 years old (this is because there is not much that can be done around transforming the inherited membership) has increased over the same period. And what it reveals is significant as it shows that black membership for CAs(SA) under the age of 35 has grown from 13% in 2002 (with only 3% of that number

being African) to 48% (25% African) in 2020.

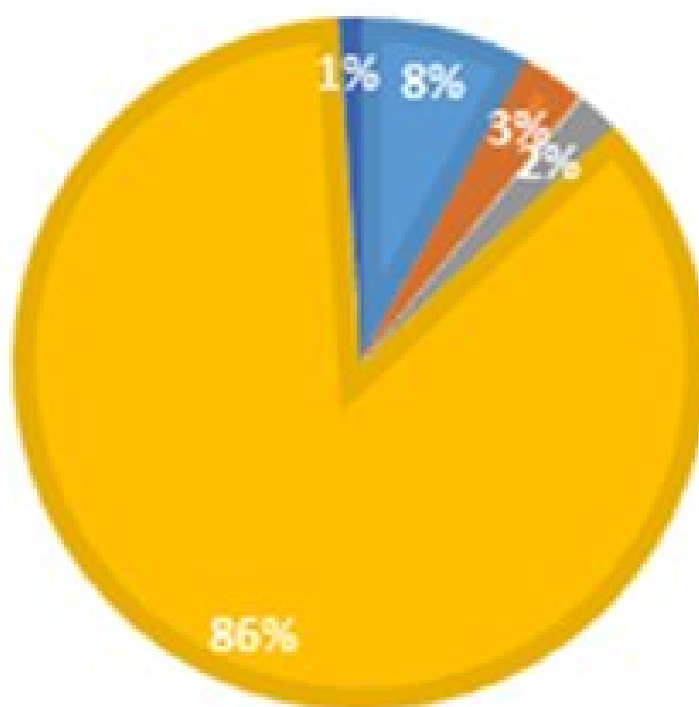


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## CA(SA) UNDER 35 MEMBERSHIP (AS AT END DECEMBER 2002\*)

■ Indian ■ African ■ Coloured ■ White ■ Race not disclosed



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### What then is the role of professional development?

As mentioned earlier, the Transformation and Growth unit (and its related Boards) focuses on Saica's transformation and capacity building initiatives, the organisation's Professional Development Unit (and related committees) focuses on developing and protecting the standards of the CA(SA) qualification through all steps in the qualification process.

The qualification process takes a minimum of seven years, this includes the (minimum) four-year academic programme, the (minimum) three-year training programme, completion of a professional programme and the two professional qualification examinations (the ITC and APC). The standards are first defined through the Saica Competency Framework, which sets out competencies (knowledge, skills, attitudes and values) expected of entry-level CAs(SA), and then articulated through the two qualifying examinations. By combining factors including entry (eligibility) requirements; policies and procedures related to Saica examinations/assessments; setting the relevant examinations/assessments; the marking processes of Saica examinations/assessments; as well as adjudicating of the results, the function of this unit to develop and assess the competencies of entry-level CAs(SA) required to demonstrate the expectations businesses and employers expect for the 21st century. Both assessments seek to assess how well candidates have developed and can apply these competencies and not just mechanically apply their technical knowledge within a real-world and professional context.

Saica works tirelessly to ensure its education, training and examination processes are rigorous, robust, fair and in line with international best practice as outlined by the education and training standards of the International Federation of Accountants (IFAC), while also ensuring that significant time and resources are allocated to ensure that disadvantaged candidates have the best possible chance to succeed thanks to a variety of interventions that the profession runs



throughout the education value chain.

We do, however, acknowledge that to have a greater impact in our transformation efforts, more support needs to be given to unsuccessful candidates to empower and prepare them for the professional examinations. We have, therefore, launched numerous initiatives\* related specifically to the professional examinations including:

- The annual funded repeat programmes for unsuccessful ITC and APC candidates;
- The Saica APC Support Academy pilot programme for the 1,500 candidates who were unsuccessful in the November 2019 APC;
- Engagements with the Heads of Audit and the Training Officers to discuss the declining results and implications for the qualification process as well as possible changes to the training model;
- Developing case studies as a general tool to enhance candidates' business acumen and general reading skills and shared with the firms to use;
- Working together with ABASA and AWCA, both of which have committed to implementing mentorship programmes that will see their members assist candidates in preparing for these assessments;
- Group mentorship programme where business leaders and candidates who recently passed the APC will share their stories and offer coaching to share their strategies of what they did differently to ensure success in the 2019 assessment;
- Two research projects are underway in relation to the poor results: One for ITC and the other for APC;
- A survey has been issued to all the November 2019 APC candidates in order to obtain a deeper understanding of factors that could have affected the candidates' performance in the 2019 APC; and
- Following the survey, Saica will be meeting with candidates to understand the issues they have been raising with regards to the challenges they are facing in the training programme.

\* It is also important to note that many of the initiatives undertaken to address the issues with the pass rates may take time to yield the required result.

## **Looking ahead**

Although Saica has seen and continues to see growth in its membership and transformation of its membership through the various initiatives it has had in place across the qualification process, we acknowledge the importance of improving performance in the qualifying examinations to sustain the transformation efforts of the profession as we still have some way to go before our membership demographics reflects the country's profile.



This is not a feat we can (or indeed have) tackle alone. For that, we must thank our partnerships (both in the public and the private sector) that have collaborated with us to make this happen and we urge them (and others) to continue to support our efforts.

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