

Clashing Goals of SAICA and South African Universities: A Need for Reflection and Realignment

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Abstract

This article recognises the conflicting goals of the South African Institute of Chartered Accountants (SAICA) and the faculties of commerce in South African universities. To achieve the central aim of the study, a qualitative approach based on a literature review was applied. The study argues that the excessive focus of SAICA on the chartered accountancy route prevents accounting research in the country and is thus in conflict with the research objectives of faculties of commerce in South African universities. Based on this argument, the study suggests a realignment of objectives. Conflict resolution demands that the teaching and research route in the accounting mentorship programme be promoted and incentivised by creating funds to augment the salaries of lecturers in the SAICA-accredited accounting departments in the country. This realignment will further strengthen the resolve of both SAICA and faculties of commerce in universities to produce world-class higher education and chartered accountants.

Keywords: accounting; chartered accountant; commerce; lecturers; SAICA; South African universities

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Introduction

The South African Institute of Chartered Accountants (SAICA), which outsources the delivery of its education programmes to universities, plays a pivotal role in shaping and strengthening the South African banking and financial system in particular and the economy in general. The ranking of the South African economy as number one in the world for the “strength of its Auditing and Reporting standards” by the World Economic Forum’s (WEF) Global Competitive Report is a tribute to SAICA’s central role (WEF 2015). South Africa has achieved successive impressive performances in several categories in the ranking of the Global Competitive Report; it is ranked second for the regulation of securities exchanges and third for the efficacy of corporate boards and protection of minority shareholders’ interests (World Bank 2015). This success is directly attributed to SAICA as a distinguished professional accountancy body with worldwide recognition. SAICA provides a wide range of support services to its members, who are mainly qualified chartered accountants, with expertise in auditing or financial management.

SAICA members, broadly speaking, hold positions as leading corporate executives, business advisors, or entrepreneurs in various spheres of operation, not just in South Africa, but also in other regions of the world. Of its total of 51,152 members in October 2022, 40,851 were in South Africa, while the rest were in other parts of the world such as Europe, Australasia, Asia, the Middle East, America, the Caribbeans, and other African countries (SAICA 2022). Most of the members work in the public sector, commerce, and industry and play a pivotal role in the dynamic business sector and development of the South African economy (SAICA 2022). Indeed, the excellence and achievements of South African chartered accountants (designated as CAs (SA)) have received both national and international attestation, which has positioned them as a prestigious global brand (SAICA 2013).

SAICA recognises the importance of international contacts and cooperation in its global standing and image. The Institute has championed this cause by playing an influential role in organisations such as the Eastern, Central, and Southern African Federation of Accountants (ECSAFA), the Pan African Federation of Accountants (PAFA), and the Global Accounting Alliance (GAA) (SAICA 2013). SAICA members serve in various prestigious international accounting bodies, including being trustees of the International Financial Reporting Standards (IFRS) Foundation, the International Accounting Standards Board (IASB), the International Financial Reporting Interpretation Committee (IFRIC), and the Council of the International Federation of Accountants (IFAC) (SAICA 2013). Nevertheless, SAICA’s success depends largely on the role South African universities play in professional accounting education programmes. Although the training of chartered accountants (CAs) in South Africa is a product of combined efforts of SAICA and South African universities, these two institutions have essentially different goals.

This study contributes to the existing body of knowledge by providing an extensive review aimed at assessing the alignment of SAICA's goals and the goals of accounting departments in the commerce faculties in universities. To achieve this contribution, the study traces the history of the chartered accountancy profession in South Africa, focussing on SAICA's vision, mission, and modus operandi concerning the production and distribution of chartered accountants. In particular, the study examines the goals of SAICA within the context of universities in South Africa concerning teaching, learning, and research in accountancy education and suggests a need for realignment. Specific objectives of the study include:

- (i) examining SAICA's business production process and the distribution of its members;
- (ii) analysing the effects of the SAICA business model on teaching and learning and the research in accountancy education in South African universities; and
- (iii) comparing the goals of SAICA with those of South African universities, unravelling the sources of conflict between the two entities, and providing suggestions for realignment.

The study involves a discussion under five sections. Section two provides a literature review on the brief history of SAICA and a comparison of SAICA goals and those of South African universities. Generalisation and the main statement are presented in section three, followed by the discussion on conflicts between SAICA and South African universities in section four. Major conclusions and policy recommendations are discussed in section five.

Literature Review: A Comparison of the Goals of SAICA and Goals of South African Universities¹

SAICA's history can be traced back to the late 1800s, although the first accounting body was founded in Venice in 1581 (Annisette 1999). In 1853, the model of a professional accountancy body, which was to influence the organisation of the profession, was founded in Scotland. Great Britain adopted this model in the 1870s and later exported it to some of its colonies such as Australia (1885), New Zealand (1894), and South Africa (1895) (Annisette 1999; Chua and Poullaos 2002). Britain had great influence on the accounting profession in the developing world formerly under British imperial rule (Annisette 1999; Parker 2005). This influence was sustained through international membership in United Kingdom accountancy bodies like the Association of Chartered Certified Accountants (ACCA) (Annisette 1999; Mihret, James, and Mula 2012). The Institute of Accountants and Auditors, established in 1894 in Johannesburg, was the first professional institute for accountants in South Africa. The Institute of Accountants in Natal was founded a year later and, thereafter, several provincial accounting institutions

1 This section is primarily based on the information provided on the SAICA website. SAICA's history details are provided therein.

emerged to regulate the accounting profession. Between 1905 and 1927, several attempts were made to ensure standardisation and unification, and to establish a national body to oversee the accounting profession in the country. These attempts saw the emergence of three colonies, namely the Cape Colony, the Orange River Colony and the Natal Colony; the Transvaal Society of Accountants emerged by the end of 1907 (SAICA 2013). On 6 May 1921, the South African Accounting Societies' General Examination Board (GEB), which was the first meaningful step towards unification, was formed to conduct the societies' examinations and regulations for service under articles (SAICA 2013). In 1927, the Chartered Accountants Designation (private) Act of Parliament, the second significant step in the unification process, was passed and the designation CA (SA) was allowed to be used only by members of the provincial societies (SAICA 2013).

However, politics and international influence hampered the road to unification at this point. It was not until 1945 that the Joint Council of the Societies of Chartered Accountants, South Africa was formed to provide a forum for cooperation among societies. By 1950, all academic work and examinations were handed to universities, while qualification examinations remained the responsibility of the accounting professional body. In 1951, the Public Accountants and Auditors Act was passed, and the National Council of Chartered Accountants was established in 1966. The unification process was finally accomplished when the SAICA was formed in 1980. The SAICA membership then stood at well over 36,000 and the CA (SA) designation is the sole preserve of SAICA (SAICA 2014a).

The operations and achievements of SAICA are anchored in its motto "Integritas", and the vision, mission, goals, and value propositions. SAICA's vision is to develop responsible leaders. Its mission is to serve the interests of the chartered accountancy profession and society by maintaining professional standards and integrity, and the supremacy of South African CAs nationally and internationally (SAICA, 2014d). SAICA does this by providing skills to entry-level members, providing support services to its members to uphold and enhance their professional competence intended to enable them to create value for their clients and employers, and enhancing the quality of information used in the private and public sectors for measuring and improving organisational performance. SAICA also accomplishes its mission by providing and facilitating programmes for professional transformation, facilitating community enrichment, fulfilling a leadership role concerning important business-related issues, and providing reliable and respected public commentary.

For their part, South African universities, including commerce faculties, have several core goals, primarily encompassing teaching and learning, research and innovation, and community engagement. Universities in general now receive subsidy funding from the South African Government. Unlike in the past when the research was not an integral part of the funding formula, these subsidies are based on the joint output of teaching and research (Styger and Heymans 2015; Temoso and Myeki 2022). The revised formula of

university funding emphasises research. The subsidy funds are then distributed between faculties based on both teaching and research outputs (Styger and Heymans 2015; Temoso and Myeki 2022). Also, the sustainability of academic programmes and their relevance in these institutions rely heavily on research productivity (Temoso and Myeki 2022). Thus, any activity or partnership that causes difficulty or deviation from the core activities will be working against the very survival of commerce faculties in the universities.

Table 1 provides a summary of SAICA's goals, mission, and vision versus those of universities in South Africa in light of the fundamental or traditional objectives of South African universities. It shows that, although the two institutions have a lot in common, there is a lack of goal congruence because conflict exists as far as research and research productivity (in the form of PhDs and other researchers) are concerned.

Table 1: A comparison of SAICA's goals versus those of universities in South Africa

	Teaching and Learning	Funding and Scholarship	Requirement for Teaching	Research/PhD Opportunity exists
SAICA	Yes	Yes	CA(SA)	No
Universities	Yes	Yes	PhD/research	Yes
Conflict exists	No	No	Yes	Yes

Source: Author

These conflicts are creating problems in many commerce faculties which are suffering from a deficiency in research outputs. As a result, commerce faculty budgets have been shrinking over the years and large amounts of funds are being taken away by other faculties, such as science (Styger and Heymans 2015). This is because the bulk of teaching is done by the accounting departments and, for various reasons, most accounting lecturers do not publish. Also, the low research output of commerce faculties attracts less funding. According to Tewari (n.d.), the following are reasons for the low research output in commerce faculties:

- i) Most accounting lecturers are CAs, and they have ample opportunities to earn outside the campus in their free time.
- ii) Most CAs are not well-grounded in research methodology and writing skills, making it difficult for them to produce and publish any research.
- iii) Accounting science in South Africa has been reduced to a mere practical application, while all theoretical and conceptual advances are left to the West; hence research is not made part of the accounting curriculum per se.
- iv) Acquiring a PhD qualification has a lot to do with research output. According to Manamela (2018), there is a positive correlation between the

research output of universities and the percentage of academics with PhD degrees.

Furthermore, Tewari and Ilesanmi (2020) concluded that the percentage of academics with PhDs does not only have a significant influence on the research output but also on the quality of such output. In the case of most faculty members in accounting, they do not study beyond CA, while some do master's degrees in their late 40s and a very small number do doctoral work. Practically, there are few PhD accounting degree holders in South Africa. This then has a negative impact on research output in the commerce faculties of various universities as accounting happens to be the dominant discipline and accounts for a relatively large number of staff.

SAICA produces chartered accountants (CAs) by outsourcing the delivery of its education programmes to some accredited universities in the country. This partnership is necessitated by the fact that SAICA's approach to producing CAs is anchored in both theory and practical learning. Consequently, the relevance of accountancy as a discipline in the curriculum of South African universities is highly valued. These universities provide the requisite theoretical foundation and personal development needed for a successful career in accountancy. Thus, chartered accountants (CAs) in South Africa are produced by the joint efforts of SAICA and South African universities. Nevertheless, the two partners are fundamentally different as far as their basic goals are concerned. The accounting profession tends to follow a narrow rules-based compliance philosophy (West 2003), whereas universities generally espouse a broader principles-based approach. While SAICA's main goal is to produce CAs for the corporate world, South African universities need returns in terms of research productivity to augment their core goals of teaching, learning, scholarship, and research and innovation. Research and innovation are indispensable in universities and academic staff must be very good researchers, in addition to being good lecturers. Thus, the relevant questions to pose are:

- i) Who provides the teaching and research needs of the prospective chartered accountants in these accredited universities? Is it members of SAICA or staff of the universities?
- ii) Are there any conflicting goals of SAICA and South African universities, which call for realignment?
- iii) How can any conflicting goal (real or potential) of SAICA with South African universities be realigned?
- iv) Is SAICA's goal to generate research and potential accounting innovation self-sustaining? If not, what can be changed?

This study employed desktop analysis to analyse the effects of the SAICA business model on teaching and learning and the research in accountancy education in South African universities. The desktop analysis relates to a qualitative approach that helps in describing and analysing written and spoken content or phenomenon beyond its

technical stance (Salkind 2010). It involves data collection from existing resources, which makes it less expensive compared to other fields of research. Desktop analysis was conducted in this study using documents obtained mainly from SAICA and other reputable sources of information that covered issues on accounting education in South Africa and across the world.

Discussion

SAICA Business Model and the Production Process of CAs

SAICA's professional accounting education programmes comply with the requirements of the International Education Standards (IES) and the International Federation of Accountants IFAC (SAICA 2013). These requirements cover a wide range of personal, career, and professional developmental issues including teaching methods, entry requirements, programme content, professional competencies, skills, values, ethics, and attitude (SAICA 2010). Other requirements of these regulatory bodies covered in the SAICA programme include practical experience requirements, assessment of professional capabilities and competencies, continuing professional development (CPD), and competence required for audit professionals (SAICA 2010). These regulatory requirements are met through an approach that is based on both theory and practice. While the theoretical part of the CA production process is provided by SAICA-accredited South African universities, the practical leg of the process is delivered jointly through SAICA's assessments and internship with either a registered training organisation (RTO) or an approved training organisation (ATO) (SAICA 2021). The RTO provides training inside public practice (TIPP) focusing on auditing and speciality as a chartered accountant in public practice, whereas the ATO provides specialised training in financial management in commerce and industry.

According to the SAICA model regarding the procedure and requirements of becoming a chartered accountant, a prospective CA must have successfully completed a four-year, full-time SAICA-accredited university degree programme, graduating with a Bachelor of Commerce (BCom) Accounting degree, or its equivalent honours or postgraduate diploma (Figure 1). The teaching method of SAICA's professional accounting education programme involves lectures, tutorials, case studies, work-based exercises, projects, and self-study. The candidate, prior to enrolling at a SAICA-accredited university must have successfully completed a national (or private) matriculation examination with an exemption to pursue a degree. The matriculation examination is taken after twelve years of primary and secondary education. As part of the training and development in the accredited university, the prospective professional accountant is required to sit, pass, and obtain a Certificate in the Theory of Accounting (CTA) after the requisite education in Bachelor of Commerce (BCom) Accounting in the university. The CTA course focuses mainly on accounting, auditing, taxation, and financial management and must be taken, again at a SAICA-accredited university (SAICA 2013). Through this arrangement, professional accountancy education begins with the students

in accredited universities only enrolling in SAICA to take the qualifying examinations and receiving professional training. Thus, SAICA has outsourced the delivery of its educational programmes to universities.

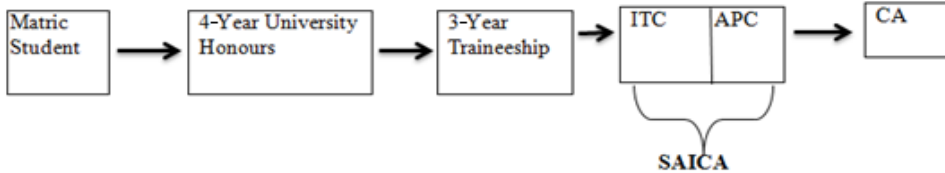


Figure 1: The structure of SAICA’s business model

Source: SAICA competency framework (2010)

After exiting the university with a BCom in Accounting and CTA, the candidate then enters a three-year internship training contract, choosing one of two routes to become a chartered accountant, South Africa (CA[SA]). A candidate who desires to become a chartered accountant specialising in auditing in public practice is trained inside public practice (TIPP) by a registered training officer (RTO) during the three-year mentorship programme (SAICA 2010). On the other hand, a prospective chartered accountant who wishes to become a CA with a specialisation in financial management in commerce and industry receives training outside public practice (TOPP) with an approved training officer (ATO). Thus, the first route is accomplished mainly in a public institution or organisation, while the second route is done typically in a large bank or corporation.

The final stage of the professional chartered accountant production process and requirements is SAICA’s final qualifying examinations (FQEs), which come in two forms: Part I and Part II. While Part I of the SAICA examination assesses the core competencies of the prospective CA (i.e. relating to accountancy, auditing, tax, and financial management), Part II of the examination assesses the professional competencies of the candidate. Since the implementation of the revised training programme (under SAICA Competency Framework, 2010), the Part I examination is now known as the Initial Test of Competence (ITC), while the Part II qualifying examination has been revised and is now referred to as the Assessment of Professional Competence (APC) (as indicated in the model in Figure 1). The examinations may be taken during the candidate’s mentorship programme. However, these examinations must be taken in sequence, as has been the norm since 2013. The successful candidate then applies for SAICA membership and is admitted and given the coveted prestigious title of CA(SA) to be used after their names. The designation is associated with someone with considerable experience in the theory and practice of accountancy and who possesses the competencies expected of them.

SAICA's Special Efforts to Enhance the Pass Rate

In line with SAICA's objective to grow CA(SA) membership to consolidate and expand its influence within South Africa and beyond, key strategic thrusts were developed, which included expanding the pipeline of students and trainees, improving the throughput pass rates, and ensuring high-quality delivery of CA education and training programmes, among others. As a critical stakeholder in the economy, SAICA is responsible for ensuring the consistent provision of adequate and suitably qualified professionals to fill managerial positions in various sectors. Although the average enrolment rate has increased over the years, there is still a disparity between the enrolment rate and the pass rate. For example, Table 2 indicates that between 2011 and 2014 out of the total enrolment, the average pass rate for the first years was 63.5 per cent.

Table 2: CA (SA) enrolment and pass rate (2011–2014)

Enrolment	2011		2012		2013		2014		Average pass rate (%)
	Enrolled	Passed	Enrolled	Passed	Enrolled	Passed	Enrolled	Passed	
1st year	6,968	4,223	4,539	3,125	5,988	3,550	7,541	4,867	63.5
Pass (%)	61		69		59		65		
2nd year	4,776	2,791	4,722	2,733	4,504	2,919	4,575	3,222	62.8
Pass (%)	58		58		65		70		
3rd year	3,742	1,953	3,820	1,879	4,014	1,996	3,922	2,023	50.5
Pass (%)	52		49		49		52		
Postgraduate	2,338	1,430	2,434	1,490	2,659	1,617	2,968	1,753	60.5
Pass (%)	61		61		61		59		
January initial test Competency	1,787	1,400	1,831	1,562	1,686	1,408	1,781	1,487	82.5
Pass (%)	78		85		84		83		

Source: SAICA (2014c)

The disparity that exists between enrolment and the pass rate is not limited to the accounting profession; it cuts across the entire education system in South Africa, especially among previously disadvantaged groups. Several factors can be attributed to this gap. These include their economic background, cultural differences, financial and market perception, and social pressure (Myburgh 2005; Temoso and Myeki 2022). Through the Thuthuka Foundation, SAICA has made giant strides to broaden the base of prospective CAs (SA) by first identifying barriers to students' entry and success on their path to becoming chartered accountants. These barriers include poor numeracy and literacy skills, lack of mentorship, and deficiency in academic and financial support.

SAICA Competency Framework and Growth in Membership

The Competency Framework (CF) of SAICA encompasses the competencies—a broad range of knowledge, skills, and attributes—of a chartered accountant, South Africa, CA(SA) at the point of entry to the profession. These are the competencies expected to be acquired after completion of the education programme in the accredited universities, training, and professional programmes, and all assessments with the training officers and SAICA. In the past, SAICA’s education and assessment programmes were grounded in a knowledge-based syllabus, an approach that lacked consistency and led to education and training programmes that were not properly complementary (SAICA 2010). To this end, the Competency Framework is a reference point for current and prospective chartered accountants, employers, universities, and the public. It further provides a clear understanding of the competencies fundamental to the professional accounting career and thus serves as a guide for education providers and trainers. More specifically, the Competency Framework provides the basis upon which SAICA education, training, and assessment programmes are developed and delivered.

Therefore, based on these competency requirements, a CA(SA) is referred to as “a leader with professional accounting background” (SAICA 2010). The competencies of CA(SA), according to the competency framework document include pervasive qualities and skills (i.e. ethics and professionalism, personal attributes, and professional skills); integration of information and information technology; specific competencies (for example, strategy, risk management and governance, accounting and external reporting, auditing and assurance, financial management, management decision-making and control, and taxation). According to the SAICA Competency Framework 2010, the pervasive qualities and skills are “the how” of a CA’s work and refer to those professional qualities and skills CAs are expected to bring to all tasks, while the specific competencies are “the what” of a CA’s work and refer to the competencies that prospective CAs are expected to acquire and develop.

There are three types of pervasive qualities and skills of CAs (SA).

1. Ethical behaviour and professionalism, which relate to the commitment to the highest integrity possible in their work (SAICA 2016; De Villiers and Viviers 2018). This includes protecting public interests, acting competently and with honesty, and avoiding conflict of interest in performing their duties and carrying out their responsibilities (De Villiers and Viviers 2018; Barac and Du Plessis 2014; Keevy and Mare, 2018).
2. Personal attitude is key to competency as this concerns the development of skills that enable them to self-manage, demonstrate leadership and initiatives, maintain self-professional competence to be aware of new developments and requirements in their fields and manage their careers (De Villiers and Viviers 2018; Keevy and Mare 2018). Also, other personal attitudes of the pervasive qualities and skills require CAs to strive continually to add value, be innovative

and adaptable, and be effective team players (Barac and Du Plessis 2014; Keevy and Mare 2018).

3. Comprehensive professional skills, including the skills to obtain information, examine and interpret information and ideas critically, solve problems, and make effective decisions (Barac and Du Plessis 2014; De Villiers and Viviers 2018; Keevy and Mare 2018). Other professional skills a CA is expected to bring to the task include communicating effectively and efficiently, managing and supervising, understanding information technology as it relates to accounting, and demonstrating an understanding of basic legal issues as well as national and international environments.

The specific competencies that prospective CAs are expected to acquire and develop relate to strategy, risk management, and governance (SAICA 2010). These are considered as a single broad competency area requiring a CA to be able to help an entity to identify and exploit opportunities while minimising risks (whether those risks are strategic, operational, financial, marketing, legal, or environmental). In particular, the specific competencies expected of CAs include the ability to:

- develop, evaluate, and manage an entity's strategies;
- evaluate the plans of an entity for risk management purposes; and
- evaluate the governance model of an entity.

The main implication of the adoption and implementation of the Competency Framework of SAICA is the fact that it should serve as the basis or foundational guide for the development and delivery of education, training, and assessment of programmes. Specifically and more importantly, the requirements that students need to acquire the highest levels of subject-specific knowledge and several other specific competencies within the seven years prior to taking SAICA qualifying examinations—the Initial Test of Competence (ITC) and the Assessment of Professional Competence (APC)—means that education providers (accredited universities) have a herculean task (a task which, moreover, requires research) to perform in contributing to the production of chartered accountants. Indeed, SAICA expects the university education programme to address the qualities, skills, and competencies outlined in the Competency Framework and the Detailed Guide for Academic Programmes (2010). The two are a preserve of accredited universities in South Africa.

The business model of SAICA has worked well and performance in terms of growth in its membership has been impressive (see Tables 3 and 4 for a nine-year period review obtained from SAICA's various annual reports available on the Institute's website: www.saica.co.za). For example, SAICA's overall membership (both South African- and foreign-based members) rose from 24,326 in 2005 to 29,671 by 2009 (representing a 22 per cent increase within those five years). The Overall SAICA membership rose from 31,602 in 2010 to 36,113 by 2013 representing a 14.3 per cent increase within those

four years. In the nine years under review, SAICA membership increased by 48.5 per cent. As of December 2014, total membership stood at 37,834. The annual percentage growth in membership averaged 5 per cent over the nine-year period. Statistics also show that 81 per cent of the members were based in South Africa, while 19 per cent were based in other countries.

Also, the female-to-male membership ratio improved remarkably within the nine-year period under review. For example, 22 per cent of the members were female in 2005, increasing to 26 per cent in 2008 and reaching 28 per cent by 2009. In 2010, the female percentage of total membership was 29 per cent, reaching 32 per cent and 33 per cent in 2013 and 2014, respectively. This increase in the number of female CAs. corresponded with a significant reduction in the proportion of their male counterparts. The Institute has also fared quite well in terms of its effort to increase the number of black professional chartered accountants in the country. The number has increased from 2, 568 in 2005 to 3,008 in 2006, and reaching 8,697 in 2014 (See Tables 3 and 4).

In terms of the distribution of chartered accountants in South Africa, the majority of SAICA products end up working in business, both public and private (Tables 3 and 4). In 2005, 9,000 of the of 18, 751 chartered accountants in South Africa were working with business and 6,205 members were in public practice. By 2009, the number of chartered accountants who were working with businesses stood at 10, 497 and 7, 432 were working in public practice. In 2014, 14,302 of the 37,834 members (representing 38 per cent) based in South Africa were working in businesses and 8,060 members (representing 22 per cent) were in public service.

However, the number of chartered accountants who work in education has been unimpressive. The number of CAs in education was 383 out of a total of 18,751 (representing 2 per cent) in 2005; 400 out of 20,818 (representing 1 per cent) in 2007, and 618 out of 37,834 (representing 2 per cent) in 2014.

Table 3: SAICA membership statistics 2005–2009

Membership	2009		2008		2007		2006		2005	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total	Number	% of total
South African-based members										
Members in Business	10,497	35	9,937	35	9,605	36	9,395	37	9000	37
Public practice	7,432	25	7,003	24	6,541	24	6,373	25	6,205	26
Government	819	3	753	3	701	3	698	3	675	3
Education	466	2	417	1	400	1	401	2	383	2
Retired	1,063	4	1,074	4	1,055	4	1,061	4	1,085	4
Unemployed	156	1	135	1	115		110		114	
Other	2,456	8	2,395	9	2,401	9	1,791	6	1,289	5
Total South African-based members	22,889	77	21,714	77	20,818	77	19,829	77	18,751	77
Foreign-based members	6,782	23	6,411	23	6,097	23	5,826	23	5,575	23
Total SAICA members	29,671	100	28,125	100	26,915	100	25,655	100	24,326	100
% increase in total	5		4		5		5		5	
Female members	8,231	28	7,412	26	6,706	25	6,052	24	5,359	22
Male members	21,440	72	20,713	74	20,209	75	19,603	76	18,967	78
Black members	4,654		3,973		3,463		3,008		2,568	

Source: SAICA Annual Reports (2005–2009)

Table 4: SAICA membership statistics 2010–2013

Membership	January 2014		2013		2012		2011		2010	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total	Number	% of total
South African-based members										
Members in Business	14,302	38	14,090	39	13,303	38	12,531	38	11,790	37
Public practice	8,060	22	7,592	21	7,242	21	6,934	21	6,536	21
Government	1,284	3	582	2	546	2	514	2	453	1
Education	681	2	652	2	614	2	568	2	526	2
Retired	1,102	3	1,118	3	1,080	3	1,074	3	1,068	3
Unemployed	368	1	347	1	274	1	243	1	199	1
Other	3,138	8	2,998	8	2,805	8	2,660	8	2,570	8
Sole Practitioner	1,562	4	1,522	4	1,521	4	1,506	5	1,471	5
Total South African-based members	30,497	81	28,901	80	27,385	79	26,030	78	24,613	78
Foreign-based members	7,337	19	7,212	20	7,215	21	7,137	22	6,989	22
Total SAICA members	37,834	100	36,113	100	34,600	100	33,167	100	31,602	100
Percentage increase in total	5		4		4		5		7	
Female members	12,643	33	11,660	32	10,884	31	10,061	30	9,212	29
Male members	25,191	67	24,453	68	23,716	69	23,106	70	22,390	71
Black members	8,697		7,702		6,929		6,239		5,429	

Source: SAICA (2014b)

The statistics further indicate that there has not been any significant change in education between 2010 and now, despite the development and subsequent implementation of the CA(SA) competency framework in 2010. In 2010, the total number of CAs in education in South Africa was 526 out of a total of 24,613 members based in South Africa (representing 2 per cent). In 2013, the number increased marginally to 652 out of a total of 28,901 members (representing another 2 per cent). Within the entire nine-year period under review (2005–2014), CAs working in education ranged between 383 and 526, with an annual rate of increase ranging between 1 and 2 per cent. (Figure 2 further exemplifies the rather disappointing contribution of SAICA to the education sector, especially higher education).

These statistics represent the total number of chartered accountants who were working in education and allied institutions (i.e. universities and others) mostly as financial controllers or finance directors, accountants, auditors, and the like. This alarming development and further evidence in universities, shows that CAs usually do not work in education as academic or teaching staff, but mostly as administrative and other supporting staff. This is very interesting in light of the SAICA-university partnership, the professional accounting education programme, the business model, and the overall goal of SAICA. Though SAICA's main productive inputs are the universities, the Institute does not seem to have a clearly defined strategy to augment teaching and research in its accredited universities in particular and South African universities in general (Tewari, n.d.). The situation looks hopeless, considering the obvious wage differentials between the earnings of CAs in businesses and other public and private organisations on the one hand and university teachers on the other hand in the country. This situation affects most universities in South Africa, particularly the less-resourced ones, and needs a second look.

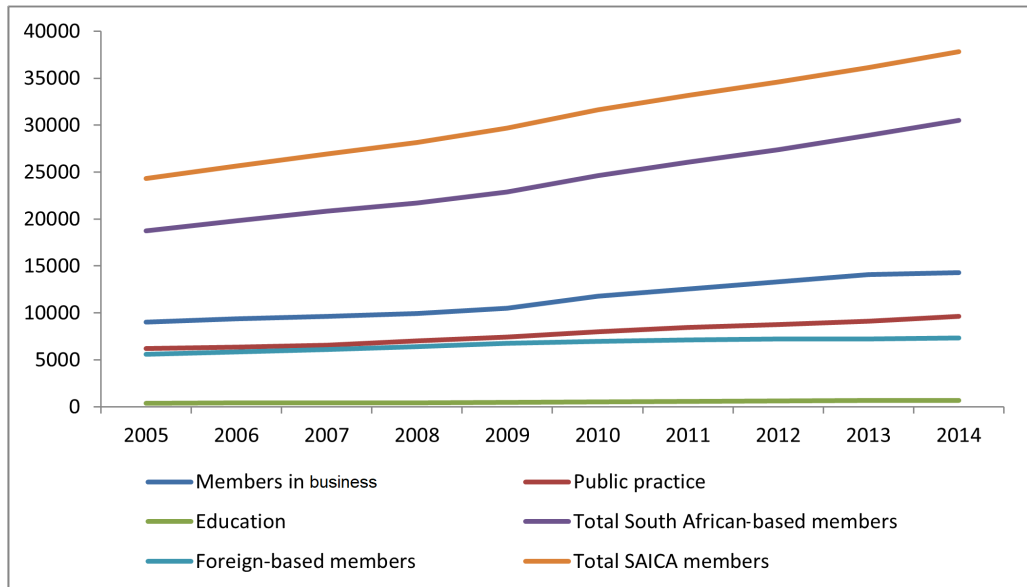


Figure 2: SAICA Membership Statistics 2005–2014

Source: SAICA (2014c)

The Conflict between SAICA and South African Universities

SAICA's goals, its business model, and production process are, however, a major source of conflict with the overriding goal of South African universities, who are the main partners of the former (see Figure 3: a schematic demonstration of the conflict between SAICA and universities).

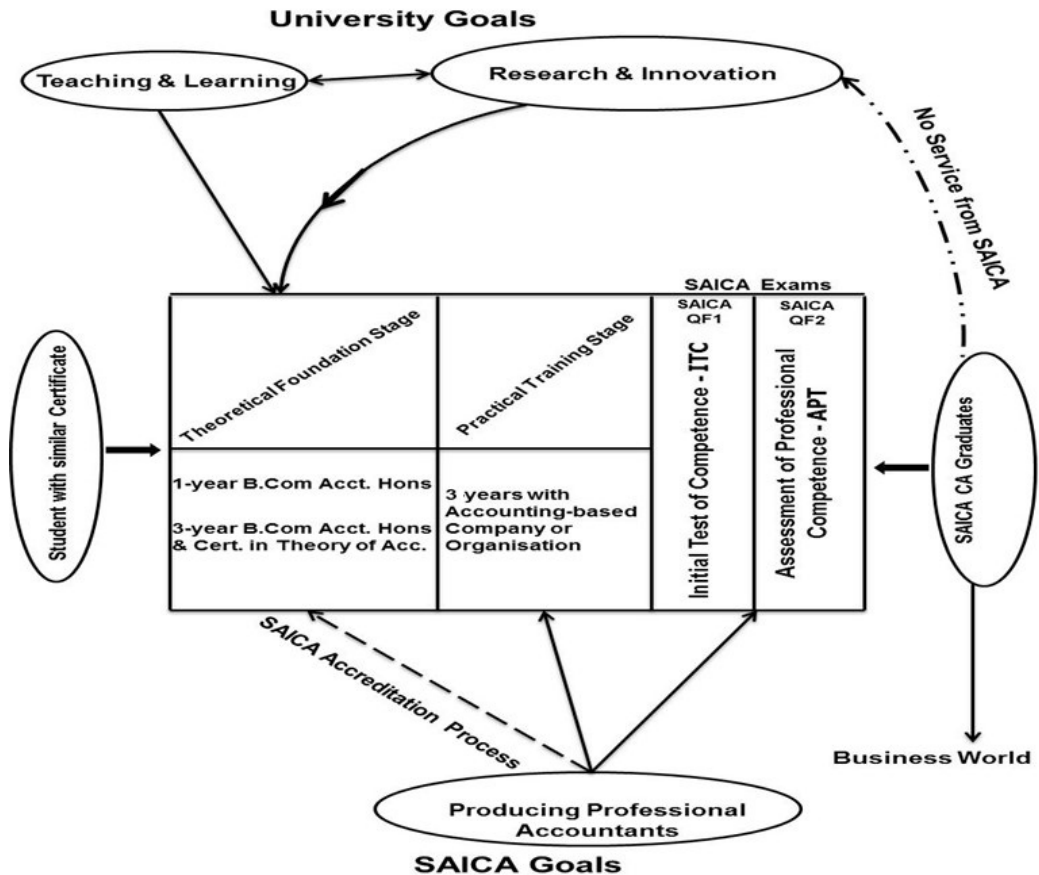


Figure 3: A schematic demonstration of the conflict between SAICA and universities

Source: Author

SAICA uses universities as inputs to produce CAs in South Africa. Essentially, SAICA’s major source or suppliers of its resources (i.e. BCom Accounting students or equivalents) are the universities. The main and traditional goals of these universities, as indicated in earlier sections, include the provision of teaching, learning, research, and innovation. To be able to provide time-tested, sustainable, and globally relevant programmes with the applicable course content, South African universities—like any other university in the world—rely immensely on research and innovation to be able to produce outstanding graduates, including BCom Accounting graduates. A lot of resources are deployed and expended annually by universities to sponsor and train staff to acquire the requisite research expertise for the achievement of their fundamental

goals. Thus, universities emphasise that graduates must pursue PhDs and other forms of academic research.

However, SAICA does not provide explicit steps in its business model and production process to encourage research by its members. Essentially, there is no pathway where CAs could continue to acquire the requisite relevant research expertise and apply those skills in SAICA-accredited universities to promote productivity. SAICA's products (the CAs) are "customised" for practice as accountants, auditors, tax experts, financial managers, and the like in businesses and other public entities. This is evident in SAICA's mentorship programmes. Thus, there is a conflict between SAICA's goals and the fundamental goals of South African universities, which potentially works against the growth of the very universities that provide the backbone to the very existence and survival of SAICA.

The dilemma of accountancy departments in universities in the country is aggravated by the irresistible pay policy and exclusive befitting working conditions offered by the corporate world. These conditions are in most cases elusive to university teachers. The unsatisfactory situation regarding wages and general conditions of services observed in the labour market concerning the demand and supply of CAs has led to a situation where SAICA has established some kind of monopoly and domineering husband-wife relationship over its accredited universities. Thus, universities are unable to compete with the corporate world for the services of chartered accountants, who obviously will have to be retrained by the same universities to be suitably qualified and useful for the unique needs of South African universities. Therefore, calls to employ CAs directly to teach in these universities impose additional difficulties aside from the costs universities will incur to retrain them. Retraining will be necessary because CAs learn mostly outside of the universities and they are not trained to conduct research, which makes it difficult for them to be useful resources in university academic environments.

Therefore, the obvious difficulty and source of conflict with universities regarding the SAICA business model and goals is the complete absence of a research component that would provide appropriate competencies to its members to become relevant resources in the universities to augment the teaching, research, and innovation generally and training of students for SAICA and the rest of the world specifically. The realistic implication is that SAICA does not create resource capacity from within to teach potential students and prospective CAs. Thus, there is a disconnect between SAICA goals and the means to these goals, which calls for realignment.

Realigning SAICA's and South African Universities' Goals

The need for the inclusion of both academic and research training in the field of accounting cannot be overemphasised. This will enable SAICA members to hold PhDs with the accompanying research competencies. Because the production of CAs seems to be entirely for businesses and industries (the business sector) rather than the teaching

profession, the situation places a huge burden on universities in relation to teaching and research in accounting. This calls for a realignment of goals between the two institutions given that SAICA is fully responsible for ensuring that universities are providing prospective CAs with the requisite competencies. Active monitoring of providers of education and training is important, but producing competent and qualified academic trainers and researchers is crucial and of immediate concern for a win-win situation between SAICA and universities and their respective long-term sustainability and growth.

Again, the role of government is important since the obvious cause of the situation where CAs are naturally absorbed by the business sector is the existence of wage differentials in the labour market. The consequential huge imbalances between the earnings of a CA who practices in the industry and those of a CA who decides to teach at a university will disappear only when the wage gap is narrowed through deliberate policy objectives. SAICA is expected to lead the realignment process in close consultation with stakeholders that include universities, government, and the business sector.

Conclusion and Policy Recommendations

SAICA is the leading professional accounting body in South Africa with an influential global presence. Its business model or production process for producing chartered accountants is anchored in both theoretical accounting and practice, enabling the Institute to produce globally rated chartered accountants. However, the absence of a research route in SAICA's professional mentorship programmes, where CAs can undertake PhD research in accountancy, is in sharp contradiction with the goals of the very universities that are partnered to produce these chartered accountants in the country. The whole training and qualifying processes prepare and tailor CAs for the business sector, leaving universities, which are the main source of inputs to SAICA, handicapped. This situation does not create a win-win partnership as universities struggle to recruit accounting lecturers to augment teaching and research in accountancy.

The situation thus calls for a realignment of SAICA goals with those of its accredited universities and indeed all South African universities. The study recommends the following for policy consideration:

- (i) Inclusion of a teaching and research route in the mentorship programme (i.e. teaching and research practice including PhD research in universities with the objective of retaining graduates in accredited universities to teach and research).
- (ii) Creation of a fund to augment lecturers' pay and conditions of service in accounting departments of SAICA-accredited universities in the country. This fund would also be

used to provide bursaries to SAICA PhD students who are trainees and prospective lecturers in SAICA programmes.

(iii) SAICA-accredited South African universities should consider introducing research content in the form of a mini-dissertation in the final year of the post-graduate diploma programme. There should also be a research component during the final qualifying examination (FQE) conducted by SAICA. SAICA should consider promoting local accounting research by establishing a centre for research and innovation in accountancy education and professionalism.

(iv) SAICA should undertake to encourage CAs to take up appointments in universities as teaching staff. A SAICA subvention package in the form of a special allowance for accounting research would be appropriate and a step in the right direction in the best interests of accountancy research in South Africa.

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