MEDIA RELEASE

Issued by:

Prospective chartered accountants- paving the way for responsible financial management

Johannesburg, Wednesday 27 March 2013– The South African Institute of Chartered Accountants (SAICA) is thrilled with the excellent results of the Initial Test of Competence Exam (ITC) released on Wednesday 27 March 2013. The ITC (previously known as Part I of the Qualifying Examination) is one of the prerequisites for prospective Chartered Accountants [CAs(SA)]. This is the first cohort of candidates to write the revised examination since the adoption of the Competency Framework for CAs(SA) in 2009. The adoption of the Competency Framework has resulted in several changes to the qualification process, the last of which is to be introduced in 2014 with a new “Part II” exam which will be known as the Assessment of Professional Competence”.

The number of candidates writing the exam increased marginally from 3112 candidates in 2012 to 3117 candidates in the current year. However, pass rates among first time candidates reflected an increase of 8% from 78% in 2012 to 86% in 2013. The overall pass rate of 73% (all candidates) has resulted in 2272 candidates passing the ITC this year, an increase of 14% in the number of successful candidates from the prior year (1987 candidates). First time passes are the best indicator of success in the exam as candidates are their most prepared having just completed their certificate in the Theory of Accounting (CTA). Mandi Olivier, SAICA’s Senior Executive: Professional Development says “The growth in the number of candidates passing is underpinned by a high quality examination and this increase can be attributed to the high calibre of candidates emanating from universities, where they underwent rigorous preparation prior to writing this standard setting examination”.

Olivier says “One of the factors contributing towards the improved results is the increased emphasis CA(SA) accredited programmes are placing on the development of both technical and professional skills, stemming from changes introduced to the competency framework in 2009. Universities have been introducing the competency framework over the last few years by placing increased emphasis on the professional skills such as analytical skills, integration and communication and by making changes to their teaching and learning approaches to accommodate the required outcomes of the competency framework. This is very much in line
with the drive of many universities to incorporate such skills to enhance graduates employability."

“In addition, through the SAICA accreditation process, we have seen universities really stepping up their game when it comes to the quality around the accredited programme. Accredited CA(SA) programmes typically take in high numbers of students, not all of whom are necessarily CA(SA) prospects. Consequently, many students fall out of the CA(SA) programme along the way, with many students changing to other programmes. The biggest drop in the numbers is between the end of their degree and going on to the CTA year, partly as a result of the high entrance requirements set by universities for entry into this postgraduate programme. This rigorous process results in candidates entering the ITC who are of an extremely high calibre and who, by virtue of the underlying process, should be well prepared to succeed in this high quality standard setting examination.”

“Further we have seen a steady decline of repeat candidates over the last few years with repeat candidates only constituting 30% of the total exam population in 2013, a marked shift from the 52% recorded in 2007. The other change in the exam population in 2013 was that for the first time in many years the number of students presenting themselves for the exam from full time (contact) universities (58% of the exam population) exceeded that of distance learning students (42% of the exam population). This does impact the overall result as students from distance learning programmes have typically not done as well as residential students in the qualifying examinations in prior years.

The Top 10 successful Qualifying Examination (QE I) candidates are:

<table>
<thead>
<tr>
<th>PLACE</th>
<th>NAME</th>
<th>SURNAME</th>
<th>UNIVERSITY</th>
<th>FIRM</th>
<th>Honours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shaun</td>
<td>Brett</td>
<td>University of Johannesburg</td>
<td>Grant Thornton</td>
<td>Honours</td>
</tr>
<tr>
<td>2</td>
<td>Gordon</td>
<td>Bradley</td>
<td>University of Witwatersrand</td>
<td>Investec Limited</td>
<td>Honours</td>
</tr>
<tr>
<td>3</td>
<td>Jithen</td>
<td>Vadival</td>
<td>University of Cape Town</td>
<td>Allan Gray Limited</td>
<td>Honours</td>
</tr>
<tr>
<td>4</td>
<td>Muhammed</td>
<td>Munshi</td>
<td>University of Witwatersrand</td>
<td>KPMG</td>
<td>Honours</td>
</tr>
<tr>
<td>5</td>
<td>Steven</td>
<td>Marc</td>
<td>University of Witwatersrand</td>
<td>Ernst &amp; Young</td>
<td>Honours</td>
</tr>
<tr>
<td>6</td>
<td>Gene</td>
<td>Amor</td>
<td>University of Cape Town</td>
<td>Deloitte</td>
<td>Honours</td>
</tr>
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It is pleasing to see three black candidates in the top ten.

A further 11 candidates achieved honours in addition to the top ten candidates. Honours is awarded to candidates who achieved a score of 75% or higher for the exam.

There continues to be a good growth in the number of African candidates writing the ITC with their proportion of the exam population increasing from 27% to 30% (933 candidates), the majority being first timers, recording an increase in the proportion of African first timers from 28% to 32% (633 candidates). SAICA is also extremely proud of the increase in the overall number of African candidate passes which improved from 483 (2012) to 661 (2013) passes. This provides an incredible boost for the overall transformation of the profession.

SAICA has undertaken two specific initiatives to assist African and Coloured candidates in qualifying. These projects, the Thuthuka Bursary Fund (TBF) and the Thuthuka Repeat programme, have both shown exceptional results. SAICA remains committed to playing a pivotal role in transforming the profession and in promoting skills development within the broader South African economy.

The TBF provides full funding and additional support for African and Coloured students from their first year at university. The Thuthuka repeat programme is a programme run for African candidates who have previously failed the Qualifying Examination. The results of repeat candidates who completed the programme can be compared to candidates who did not undertake a repeat programme as follows:

<table>
<thead>
<tr>
<th>Repeat candidates</th>
<th>Thuthuka repeat programme (African)</th>
<th>No. passes</th>
<th>Thuthuka repeat programme (African)</th>
<th>Total (African)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. passes</td>
<td>88</td>
<td>60</td>
<td>148</td>
<td></td>
</tr>
<tr>
<td>Total first repeat candidates (African)</td>
<td>156</td>
<td>144</td>
<td>300</td>
<td></td>
</tr>
</tbody>
</table>
Chantyl Mulder, SAICA’s Senior Executive: Professional Development, Transformation, Growth explained that the pass rate of the African repeat candidates who undertook the FASSET-funded programme exceeded that of candidates not completing a programme. “This shows that such initiatives are working. 57% of the African repeat candidates were on the Thuthuka repeat programme (2012: 35%). This programme is funded by FASSET and several businesses and is designed specifically to support repeat African candidates.

Olivier congratulated all the candidates who have passed their ITC examination. She points out that passing the ITC, which primarily assesses the core technical competencies of prospective CAs(SA) at a standard set by SAICA, is not the final requirement for qualifying as a CA(SA). Candidates can only qualify as CAs(SA) and become full members of SAICA once they have completed all of the following requirements:

- Successfully passed the ITC;
- Completed the training contract requirements;
- Completed a specialist course; and
- Successfully passed the Part II exam (either the Financial Management Examination or the Public Practice Examination (auditing)).

For more information on the ITC results go to SAICA website at www.saica.co.za

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ABOUT SAICA
The South African Institute of Chartered Accountants (SAICA), South Africa’s pre-eminent accountancy body, is widely recognised as one of the world’s leading accounting institutes. The Institute provides a wide range of support services to more than 34 000 members who are Chartered Accountants and hold positions as CEOs, MDs, board directors, business owners, chief financial officers, auditors and leaders in their spheres of business operation. Most of these members operate in commerce and industry, and play a significant role in the nation’s highly dynamic business sector and economic development.

SAICA serves the interests not only of the Chartered Accountancy profession, but also of society in general through its key objective of upholding professional standards and integrity. The pre-eminence of South African Chartered Accountants [CAs(SA)] nationally and internationally attests to the successes achieved by SAICA on a broad global canvas. SAICA’s members enjoy the privilege of using the highly regarded and prestigious CA(SA) designation. Members of SAICA are subjected to a Code of Professional Conduct, which provides guidelines for ethical and professional behaviour. Fundamental ethical principles to which CAs(SA) are expected to achieve include:
• Integrity;
• Objectivity;
• Professional Competence and Due Care;
• Confidentiality; and
• Professional Behaviour.

SAICA members serve on international accounting bodies including; the Trustees of the International Financial Reporting (IFRS) Foundation, the International Accounting Standards Board (IASB), the IFRS Interpretations Committee, the IFRS Advisory Council and the Council of the International Federation of Accountants (IFAC). SAICA is also a member of The Global Accounting Alliance (GAA).

For more information visit www.saica.co.za

About the Thuthuka Bursary Fund and Thuthuka Education Upliftment Project:
One of SAICA’s prime goals is to strengthen the country’s economy by playing a significant and leading role in transformation and skills development. The Thuthuka Education Upliftment Project, a pioneering initiative to promote transformation in the profession, was launched in the Eastern Cape in 2002 and is fast growing into a national project. Thuthuka’s objective is to transform the demographics of the profession to reflect those of the country in terms of race and gender, and provide educational support to African learners and students for the benefit of the profession while simultaneously helping to uplift communities. Therefore, SAICA prides itself in leading the chartered accountancy profession as a socially responsible driver of business and skills development by supporting and encouraging enterprise development initiatives.

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