

Chartered accountants concerned about governance level in SA

Chartered accountants (CAs) in South Africa have grown increasingly confident in the last few months regarding the levels of ethics being practiced in their profession. However, this improvement hasn't translated into their view of the wider economy with most voicing their concern over the levels of governance being applied in the country, according to a survey conducted by PPS.

The survey of more than 600 CAs revealed a confidence level of 74% for the second quarter of 2012 when asked whether they are confident that professional ethics still prevail in their profession, up nine percentage points from the previous quarter. Conversely, their confidence in the level of governance applicable in South Africa declined by three percentage points to 47%.

Economic outlook

Perceptions about the local economy also took a knock with a five percentage point drop in confidence to 49% that South Africa has seen the worst of the global economic turmoil. In addition to this, a confidence level of 60%, down three percentage points from the previous quarter, was recorded when asked about the confidence in the economic outlook for the country over the next 12 months.

The survey also revealed a three percentage point decline in confidence quarter on quarter with only 7% of respondents indicating they believe that the current tax incentives offered by the government are sufficient to encourage South Africans to save. Furthermore, 66% said compulsory preservation was necessary to enforce South Africans to save.

Declining confidence in education

Socio-economic results from the survey revealed that CAs remain concerned about a number of issues. Their confidence levels in the crime rate improving in South Africa over the next five years dropped by five percentage points to 43% for the second quarter. CA's confidence in the standard of education in South Africa improving over the next five years also dropped by five percentage points to 43%, while 95% of respondents indicated they were concerned about the lack of mathematics and science graduates, up two percentage points from the previous quarter. Furthermore, 91% of CAs are worried about the rising cost of tertiary healthcare, an increase of one percentage point.

"It is not surprising that CAs are concerned about the education system in the country, especially as mathematics is a key subject requirement for the sustainability of the profession as a whole. It is imperative that more is done to promote this vital subject among school children to ensure that the profession can remain intact," says Gerhard Joubert, head of group marketing and stakeholder relations at PPS.