

*South African Institute of Professional Accountants*

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### **The heritage of wealth**

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This September we once again celebrate Heritage Month and for 2016 the theme has been determined by the Department of Arts and Culture as “Human Treasures and Legends: our Living Heritage”.

When studying cultural icons, both real and mythical, we often find in them the embodiment of the principles and behaviours that drive our personal ideology. We subconsciously adhere to the principles expressed by historical and legendary people who exemplify our notions of prosperity, and through whom we develop our financial outlook and the management thereof.

The accounting profession, the accountant and the client are all influenced by their respective heritage and cultural icons. Therefore, each has ideas rooted deep in culture about what it means to be wealthy and how that wealth should be administered.

#### ***What wealth means***

Each community has its own set of cultural rules or guidelines about what wealth is, how it may be used and how to account for it. In broad strokes, wealth is either about accumulation or distribution.

For some, having experienced good fortune, it means the opportunity to support those who are starting out or struggling in life and so lift up their entire community. Or it may be the ability to render services that the community would be hard pressed to afford on its own.

Others see wealth as a means of independence. In their culture, being able to take care of themselves financially releases their community from that burden.

Still other cultures live by a strong familial bond, where wealth serves the needs of the extended family, and is often accumulated for the good of future generations.

And for many, personal wealth is not as important as the ability to finance lasting global change.

Then there is intangible wealth, such as spiritual enlightenment, artistic appreciation or the mastery of a traditional craft. While these cannot be quantified, we must nonetheless consider them when contemplating prosperity. Here, money is only a useful tool for achieving metaphysical outcomes and of no value in itself.

There are many more ways in which people perceive wealth based on their heritage. As accountants, it's critical that we make ourselves aware of these differences and consider them on a case-by-case basis.

### ***Cultural rules***

How wealth is to be accounted for often depends on cultural factors. The following examples serve to illustrate.

Sharia law provides various rules for the financial affairs of Muslims to assure adherence to Islam. As such, these regulations must be known intimately before any action can be taken. Accountants from that cultural background are best suited to offer advice and services to its community.

In several Asian tribes, personal financial decisions must be approved by community leaders.

From an Indian perspective, some philosophies suggest that what has been inherited should not be consumed, but should be passed forward to future generations, possibly enriched.

There's no right or wrong way, only that which best serves the community in question. So it's essential that accountants understand what constraints their clients face and how to perform their duties with respect for them.

### ***Dealing with heritage***

Before we can serve our clients in a way that dignifies their heritage, we must be conversant in their culture to the point where we are able to hold a discussion on the subject.

First, we need to be aware that our own worldview cannot be forced on them. Instead, we must make room for open communication. It's not enough to ask questions; one must ask the right questions. We should be prepared to learn as much as we can about our client's perspective and the responsibilities placed on them by their community, religion, traditions or any other cultural influences. Once we understand these, we become equipped to ask questions that are relevant to their unique accounting needs.

With this knowledge at our disposal, we must be willing to find ways to work within their constraints while adhering to the principles and legal requirements of accounting. Many

institutions have already gone to these lengths and are being rewarded with more business for their efforts.

Whether it's administering stokvels, family trusts, providing for Islamic banking, or offering financial management to a diverse workforce, the Professional Accountant (SA) who respect the heritage of their clients are more profitable because of it.

This is where the true professionalism of accountants stands out, especially in a cultural landscape as diverse as South Africa.

### ***The heritage of accounting***

The practice of accounting is as old as recorded history. But the guiding principles that have grown from it have been preserved by many custodians throughout the ages, most of them unknown to us. Because of their work, the ethical framework and mechanics of accounting are trusted explicitly around the world. Even so, the field is flexible enough to accommodate the special financial management requirements of any person's culture. It's a proud heritage whose preservation is vital to our reputation as guardians of wealth.

Accountants also bring their personal heritage to the table. Although we adhere to strict professional conduct, we can't ignore the subconscious worldview that guides our approach to clients and colleagues. To maintain the highest professional standard, we must also understand the culture behind our own thinking. With this awareness, we can better recognise whether we are seeing matters from our client's viewpoint or our own, and adjust our conversation accordingly.

### ***Celebrating our diversity***

Heritage Month gives us the opportunity to reflect on our own heritage but also the diversity of cultures across the country and how each blends to form our dynamic society. We should make the most of this time not just as individuals but also professionals. So this month, SAIPA invites all accounting professionals to join us in celebrating our diversity as a nation, and our role as advisors and service providers to its many and varied people.

***Photo caption:*** Bongani Coka, Chief Executive of the South African Institute of Professional Accountants

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