

TAX PRACTITIONER REGULATION
2017 DECLARATION AND AUDIT PROCESS
3 AUGUST 2017

The 2017 declaration and audit process will commence in the next few months. We will be required to report to SARS on the outcome of this process by Friday, 30 March 2018.

For those unsure of the requirements for tax practitioner members, please refer to the information available on the SAICA [Tax Practitioner Regulation](#) page. It is important that you re-familiarise yourself with the requirements and that you comply therewith.

The timelines for the 2017 process, as well as pertinent feedback regarding the 2016 process, is set out below.

Proposed timelines for 2017:

The proposed timelines for the 2017 declaration and audit process are as follows:

- **August 2017:** Members who are tax practitioners must ensure that their personal details on their SAICA profiles are up to date (this may be updated via the SAICA website) and that they are subscribed to either the Standards and Legislation or Tax Suite Newsletter on the Subscriptions page of the SAICA website. Please email saica@saica.co.za or call 011 621 6600 for assistance with the subscription process, if necessary.
- **September 2017:** SAICA to issue a reminder to members regarding their tax-specific CPD obligations that need to be complied with by **31 December 2017**. Please note that no extensions to comply will be granted.

Please also note that you may attain free verifiable CPD by reading relevant Integritax articles and answering the Integritax quizzes on SAICA's [Click2Start](#) platform.

If you choose to use this option, please ensure that you complete the selected quizzes by Friday, 8 December 2017 – that is, prior to SAICA's 2017 shutdown period which usually commences around mid-December. If you delay this until the shutdown period and you experience technical difficulties over this period, relevant staff may not be available to assist you timeously and you may have difficulty meeting the tax-specific CPD requirement by 31 December 2017.

SAICA will also be offering free Tax Updates in all regions in November 2017. This will provide members with 4.5 hours of free CPD. If you are unable to attend a face to face session, you may register and login for the webinar. Please lookout for the emails promoting this update to ensure that you are able to secure a booking.

- **October 2017:** SAICA to issue compliance declarations to members to be completed by **23 November 2017**.



- **30 November 2017**: Notice of audit to be issued to members selected for audit including a request for supporting documents. The due date for submitting supporting documents will be **Friday, 9 February 2018**.
- **February/March 2018**: Processing data and individual member compliance or documentary challenges.
- **Friday, 30 March 2018**: Final report to SARS.

Feedback on 2016 declaration and audit process:

The 2016 declaration and audit process was executed in accordance with the guidelines communicated to members in July and August 2016, with a final report submitted to SARS on Friday, 7 April 2016.

Work in progress:

Since 2015 was the first year that recognised controlling bodies (RCBs) were required to conduct the tax practitioners declaration and audit process, the lessons learnt in that process were carried forward to 2016 in attempts to improve the experience of this obligatory process for all involved. We continue to work on the process based on feedback from members.

The more pertinent issues identified and addressed are set out below:

- As was the case in respect of the 2015 process, many members were unhappy with the requirement to provide police clearance certificates. To alleviate some of the frustration, we allowed members (selected for audit) to attain a clearance report from agencies that run criminal checks on behalf of individuals, for a fee.
- To ensure that members don't feel disadvantaged by being subjected to repeat audits, those members who were audited and found to be fully compliant in respect of the 2015 year, were granted an exemption from audit for the 2016 year.
- Members raised concerns over the timing of the declarations sent as well as the request for audit evidence. These have been taken into account and dates have been moved to accommodate the concerns while still considering the timelines which SAICA must adhere to in order to report to SARS by the due date.

Outcome:

Statistics resulting from the 2016 process are set out below:

- 4 727 declarations were filed, including 153 late declarations.
- Of the total declarations filed, 4 285 (2015: 4 051) members indicated that SAICA is their RCB.



- Of the total declarations received, in respect of which SAICA is the RCB, 3 673 members declared compliance with all [requirements applicable to tax practitioners](#), with the balance having declared non-compliance with one or more requirement.
- Accordingly, a sample of 348 members were selected for audit, using the *Raosoft Sampling Software*, to ensure a 95% certainty of results, which is considered acceptable in the circumstances.
- The 2016 process revealed the following incidences of non-compliance, including non-submission of evidence, all of which have been referred to SAICA's Legal and Discipline division:

Requirement not met	Voluntarily declared (number of incidences)		Identified on audit (number of incidences)	
	2016	2015	2016	2015
Practicing, but not registered	1	4	0	0
Criminal offence	0	0	34 ¹	57 ¹
Serious tax offence	0	0	0	0
Ethics (including personal tax compliance)	47	9	31	54
CPD	186	190	75 ²	123
TOTAL:	234³	203	140	234
Notes:				
1. Evidentiary requirement (i.e. police clearance certificate) not provided on audit.				
2. This includes instances of members not providing the required evidence.				
3. Members have provided reasons for non-compliance with personal income tax and this will be considered when determining appropriate action to be taken.				

- Although there has been an overall improvement in compliance since the prior year (i.e. reduction in non-compliance voluntarily declared plus that identified on audit – 2016 vs 2015), we would like to see a more significant reduction in non-compliance in respect of the 2017 year. It is also of great concern that members have dishonestly declared their compliance whilst the audit evidence indicates otherwise.
- What is also concerning is that members have not familiarised themselves with the various requirements nor have they sought to understand SAICA's CPD policy in terms of what constitutes verifiable vs non-verifiable CPD.
- There is also a notable increase in the number of members who indicated non-compliance in respect of their personal tax affairs. However, it is important to note that with respect to non-compliance from a personal income tax perspective, in some instances the non-compliance is as a result of inefficiencies within SARS which will be dealt with accordingly.
- As previously noted, the process is being refined annually and we will conduct a survey to ensure that member needs in complying with this obligatory process are adequately addressed whilst still ensuring compliance from an RCB perspective.