

Frequently asked questions

Associate General Accountant [AGA(SA)]

Please note:

- 1. Every effort has been made to ensure that the information in this frequently asked questions document is correct. Nevertheless, information is given purely as guidance to assist with particular problems relating to the subject matter and SAICA will have no responsibility to any person for any claim of any nature whatsoever which may arise out of or relate to the contents of this guide.*
- 2. The information provided in this document does not constitute legal advice and should be read in that context.*

Introduction

SAICA re-launched the designation of Associate General Accountant, AGA(SA) during August 2015. Questions have been asked by Associate General Accountants (AGAs) and potential AGAs with regards to the functions that an AGA can perform. This document is a short summary of functions / duties that the AGA can perform, but is not an exhaustive list.

Questions

1. Is the SAICA Code of Professional Conduct (Code) applicable to AGAs?

Yes, the Code is applicable to all SAICA members and associates. A contravention of, or failure to comply with any requirements of the Code, may be regarded as an offence in terms of section 34.10 of the SAICA By-laws and as such may be investigated and if appropriate the member/associate may be found guilty and may be liable for penalties as described in the By-laws.

An associate is defined in the Code as:

“Means a person who has been admitted and registered as an associate general accountant (AGA) with the Institute and therefore entitled to use the designation “Associate General Accountant” or “Associate General Accountant (South Africa)” or the initials “AGA(SA)”.”

2. Can an AGA compile financial statements for a company or close corporation?

There is no minimum requirement for the compilation of annual financial statements of a company / close corporation.

The Companies Act, No. 71 of 2008 does require financial statements that are “independently compiled and reported” to be compiled by an Independent Accounting Professional. An AGA does qualify to be an Independent Accounting Professional.

Reference: Companies Act - Regulation 26(1)

Regulation 26(1)(d) state that an Independent Accounting Professional is defined as:

- *“a registered auditor in terms of the Auditing Profession Act, No. 26 of 2005 (“the APA”);*
- *a member in good standing of a professional body that has been accredited in terms of S33 of the Auditing Profession Act; or*
- *qualified to be appointed as an accounting officer of a close corporation in terms of S60(1), (2) and (4) of the Close Corporations Act, 1984.”*

3. Can an AGA compile financial statements for any other entity such as schools/trusts / partnerships?

If there is no specific requirement / qualifications for the person to compile the annual financial statements, the AGA can compile the annual financial statements.

4. Can an AGA perform an independent review in terms of the Companies Act, 2008 for companies?

Yes, an AGA can perform an independent review for companies with a Public Interest Score below 100.

Reference: Companies Act –Regulation 29(4)

“An independent review of a company’s annual financial statements must be carried out–

(a) in the case of a company whose public interest score for the particular financial year was at least 100 by–

- (i) a registered auditor; or*
- (ii) a member in good standing of a professional body that has been accredited in terms of S33 of the Auditing Profession Act; or*

(b) in the case of a company whose public interest score for the particular financial year was less than 100 by–

- (i) a person contemplated in (a) above; or*
- (ii) a person who is qualified to be appointed as an accounting officer of a close corporation in terms of S60(1), (2) and (4) of the Close Corporations Act, 1984 (Act No. 69 of 1984).”*

5. Can an AGA act as the accounting officer for a close corporation?

Yes, an AGA does qualify to act as the accounting officer of the close corporation.

Reference: Close Corporations Act, No. 69 of 1984

In terms of Section 60 of the Close Corporations Act CA(SA)s and AGAs are recognised as accounting officers and therefore AGAs can act as the accounting officer of a close corporation

6. Can an AGA act as a Commissioner of Oaths?

An AGA can act as a Commissioner of Oaths due to the inclusion of the AGA in the Regulations to the Justice of the Peace and Commissioner of Oaths Act, No.16 of 1963.

Reference: Justice of the Peace and Commissioner of Oaths Act, No.16 of 1963 Regulations

GNR.1258 of 21 July 1972: Regulations Governing the Administering of an Oath or Affirmation

“61A. South African Institution of Chartered Accounts.—*Chartered Accountants of South Africa and Associate General Accountants of South Africa. [Item 61A inserted by GNR.515 of 2002 and amended by GNR.947 of 2003.]”*

7. Can an AGA act as the accounting officer of a school?

Yes, in terms of the Schools Act, No.84 of 1996 the governing body of a public school must appoint an registered auditor or a person who is qualified as an accounting officer to examine and report on the records and financial statements.

Reference: Schools Act, No.84 of 1996

“43.(1) The governing body of a public school must appoint a person registered as an auditor in terms of the Auditing Profession Act, 2005 (Act No.26 of 2005) to audit the records and financial statements referred to in section 42.

(2) If the audit referred to in subsection (1) is not reasonably practicable, the governing body of a public school must appoint a person to examine and report on the records and financial statements referred to in section 42, who-

(a) is qualified to perform the duties of an accounting officer in terms of section 60 of the Close Corporations Act, 1984 (Act No. 69 of 1984); or

(b) is approved by the Member of the Executive Council for this purpose.”

With regards to independent schools the Schools Act, No.84 of 1996 state that the Member of the Executive Council must by notice in the Provincial Gazette state the requirements for independent schools and AGAs will have to refer to the various publications to identify the requirements.

8. Can an AGA act as the accounting officer for a body corporate in terms of the Sectional Titles Act, No.95 of 1986?

No, certain sections of the Sectional Titles Act, No 95 of 1986 were replaced by the Sectional Titles Schemes Management Act, No 8 of 2011 on 7 October 2016. The Prescribed Management Rules contained in Annexure 8 of the Collected Regulations that stated that an accounting officer may in certain circumstances be appointed to sign the annual financial statements has been replaced. Rule 26(4) of the Sectional Titles Schemes Management Regulations, 2016 in Annexure 1 states the following:

“26(4) Unless all the sections in the scheme are registered in the name of one person, the body corporate must present audited financial statements to a general meeting for consideration within four months after the end of the financial year.

Body corporates no longer require an accounting officer, but body corporates require financial statements to be prepared and then audited by an independent auditor.

9. Can an AGA act as the accounting officer for a non-profit organisation in terms of the Non-Profit Organisations Act, No.71 of 1997?

Yes, the Non-Profit Organisations Act, No.71 of 1997 states that an accounting officer must compile a report as identified in the Act.

Reference:Non-Profit Organisations Act, No.71 of 1997

“113. The Non-profit Organisations Act 71 of 1997 governs non-profit Organisations. Interms of section 17(2) of the Act, every registered Non-profit Organisation must arrange for a written report to be compiled by an accounting officer, as defined in the Close Corporations Act 1984, and for this report to be submitted to the organisation. The accounting officer must report on the matters mentioned in section 17(2) of this Act.

114. Section 17(2)(c) requires the accounting officer to state whether or not theorganisation has complied with the provisions of the Non-profit Organisations.”

10. Can an AGA act as the accounting officer for any other entity where required?

Yes, if the legislation states that an accounting officer can perform certain compile certain reports or perform certain tasks the AGA as a recognised Accounting Officer can compile the report / perform the tasks as listed. If the legislation / regulation require certain other qualifications, such as a Registered Auditor registered with the Independent Regulatory Board for Auditors or a CA(SA) then an AGA cannot perform the tasks required.

11. Can an AGA register as a Tax Practitioner in terms of the Tax Administration Act, No 28 of 2011? If yes, what is the process to register?

The AGA(SA), as members of SAICA, will be allowed to register as tax practitioners, with SAICA as their RCB subject to the same entry criteria applicable to CA(SA) members.

These annual criteria include:

- Undertaking to and maintaining 15 hours tax CPD (60% verified) which record is maintained by member for at least 5 years;
- Has no criminal conviction for a dishonesty crime (theft, fraud etc.) or offence in the last 5 years;
- Has not been removed as member from another RCB for serious misconduct in the last 5 years;



AGA(SA)

Associate General Accountant (SA)
An associate designation of the
South African Institute of Chartered Accountants



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- Is compliant in all his/her tax affairs (as of date of application/renewal, but we will take a position as to non-compliance thereafter if reported by SARS).

Registration process:

- The registration process is available on the SARS website: <http://www.sars.gov.za/ClientSegments/Tax-Practitioners/Pages/Registration-Process.aspx>. In this process, the member must also select SAICA as the RCB
- In addition to registering with SARS, the member will need to notify SAICA of his/her intention to register as a tax practitioner. To facilitate this, the member must complete the SAICA questionnaire available: <https://apps.saica.co.za/pastelsurvey/CaptureSurvey.asp?SurveyID=413>
- Once SAICA has the relevant information via the questionnaire, this will be submitted to SARS
- It is important that the information provided to SAICA and that on the individual's eFiling profile must be the same, at all times. If there are any differences, the SARS system will not verify the member
- Once both SAICA and SARS have been updated, the member should receive a PR number from SARS. If after waiting at least one week, the PR number is not issued, the member must check the RAV01 form on eFiling for the PR number, by following the steps below:
 - Login to SARS eFiling
 - Go to "Organisation" > "SARS Registered Detail" > "Maintain SARS registered detail"
 - Go to "My tax practitioner details" on the RAV01 form
 - Go to "Tax Practitioner Details" on the RAV 01 and select your controlling body
 - After selecting the controlling body select "File" to save the changes
 - By going back to the RAV01 form (number will be displayed above the name of the controlling body you selected) the system will reflect the correct PR number allocated to the practitioner
 - Once the PR number has been confirmed Go to "Services" > "Practitioner Activation" > Insert the PR Number and click "Confirm my Tax Practitioner Status"
- Should the member encounter any difficulty after following the above steps, please contact SAICA to confirm that details submitted have been accepted by SARS (note that SARS does not necessarily notify SAICA if there are any data mismatches) and then contact the SARS call centre for further assistance.