



POLICIES RELATING TO THE ACCREDITATION AND RE-ACCREDITATION OF TRAINING OFFICES

**THIS DOCUMENT MUST BE READ IN CONJUNCTION WITH
THE SAICA TRAINING REGULATIONS**

Revised April 2020

1. DEFINITIONS

In this document words importing the masculine gender include all genders. Unless expressly stated otherwise or inconsistent with the context in which they appear, the terms used in this document carry the meaning, as defined in the Training Regulations.

2. THE SAICA TRAINING PROGRAMME

2.1. In order to ensure that the SAICA qualification retains its status and credibility, SAICA has to fulfil the following responsibilities in relation to the SAICA Training Programme:

- Ensure that prospective SAICA members in South Africa receive well-rounded training;
- Ensure that the required competence is obtained through the application of theoretical knowledge to practical skills under the direction and supervision of experienced, qualified members (CAs(SA) and AGAs(SA)); and
- Ensure that prospective SAICA members have an appreciation of the contemporary business environment and are equipped with the skills required to perform a wide variety of roles and activities.

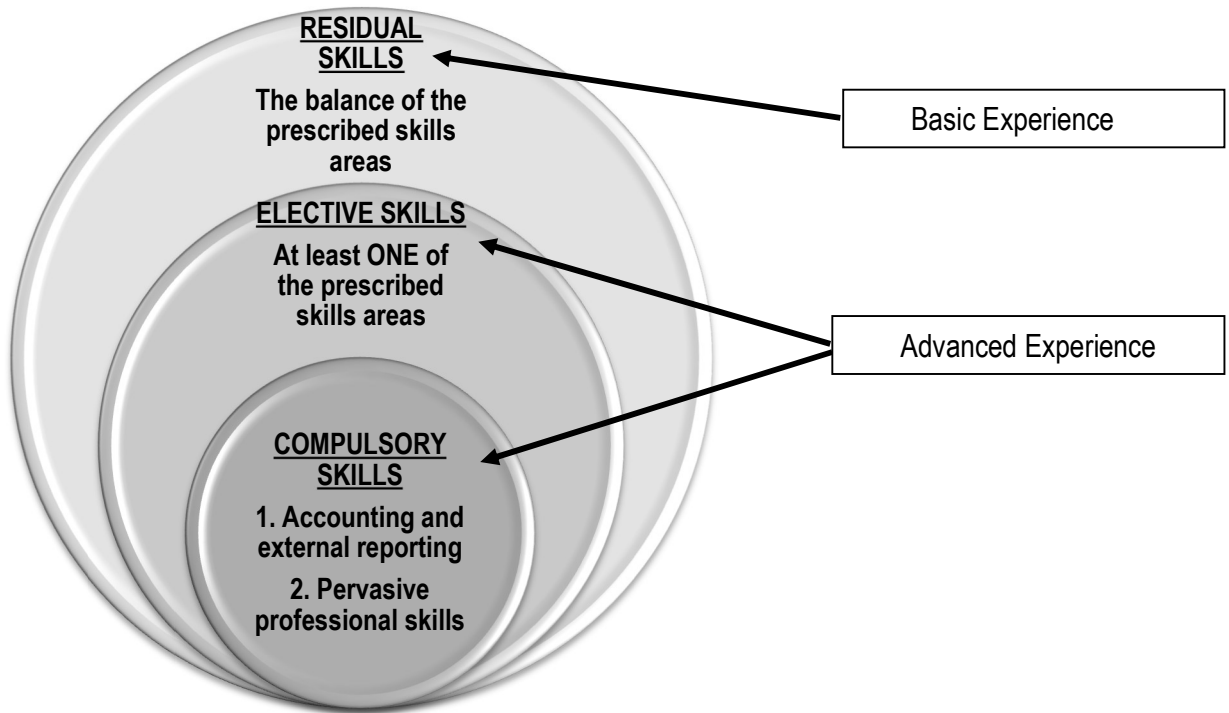
2.2. The SAICA training programme is essential to the maintenance of the status of the SAICA qualifications because it -

- provides trainee accountants with an opportunity to integrate and apply their theoretical (academic) knowledge in a practical, real-life environment, and
- creates a platform for trainee accountants to develop a base of technical and professional skills, from which they can build the professional development required for their future careers as CAs(SA) or AGAs(SA).

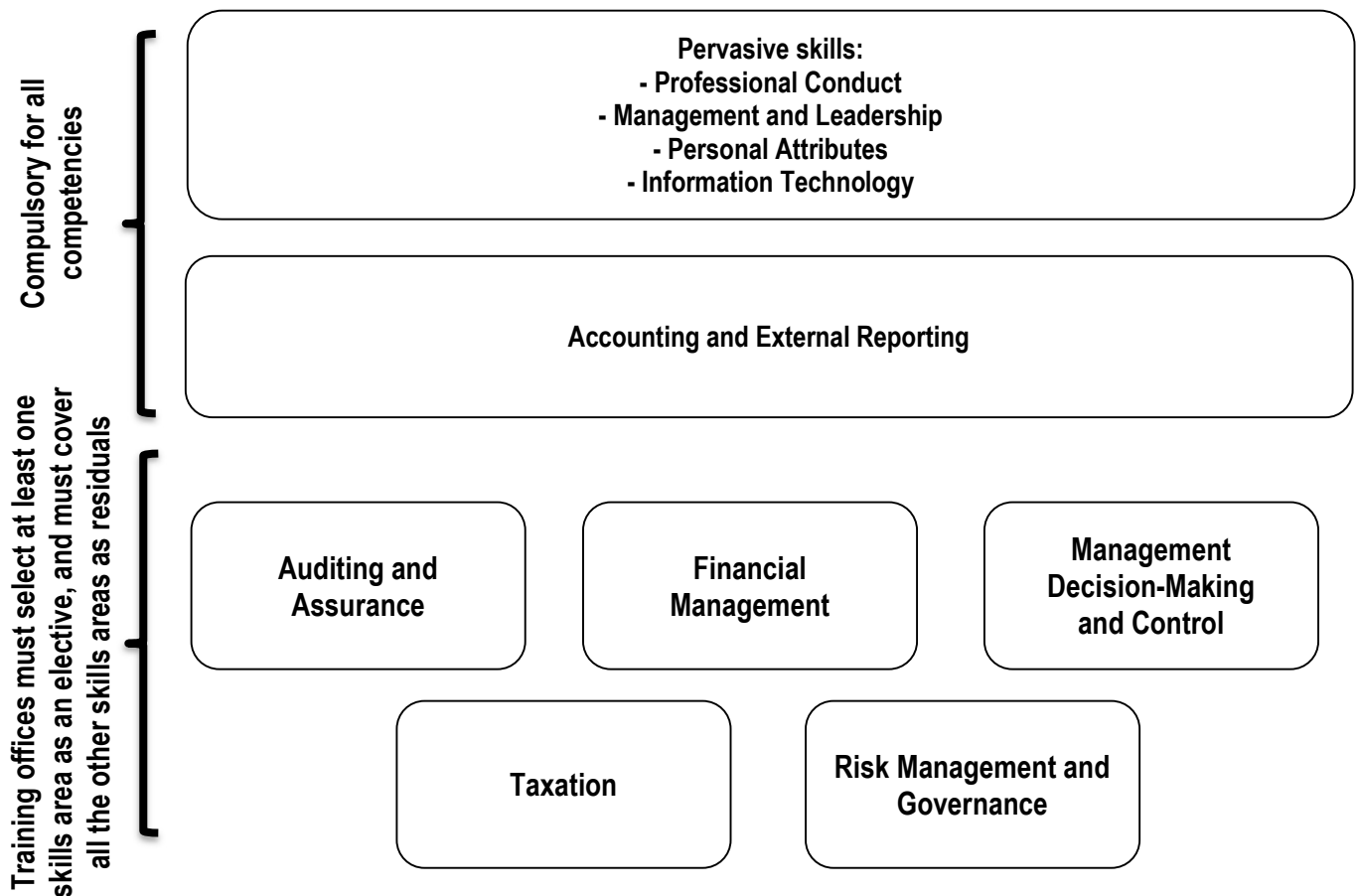
2.3. The training programme is characterised by the following features:

- The training programme is rigorous and allows for the selection of people with high intellectual ability and the ability to apply themselves;
- The training programme includes an increased focus on professional values, ethics and business acumen; and
- Irrespective of whether the trainee accountant completes his training in public practice, commerce and industry or the public sector, he must gain exposure and achieve competence in all the skills areas listed below. However, the range and depth of his exposure will be determined by the nature, industry and business model of the training office.

2.4. Structure of the training programme



2.5. Content of the training programme



2.6. Main features of the training programme:

The main features of the training programme are as follows:

- Flexibility to allow for areas of focus in the training programme;
- Flexibility to allow for broad exposure to a variety of areas; and
- Emphasis on the professional skills and accounting and external reporting.

All trainee accountants are required to gain exposure and achieve competence in all the skills areas, but to varying degrees of complexity. The depth and breadth of a trainee accountant's exposure will be determined by the nature, industry and business model of the training office.

In order to accommodate the unique circumstances of each training office, whether in public practice, commerce and industry or the public sector, a training office is able to structure its training programme to meet its needs.

In line with the principle of a competence-based training programme, there are no minimum time prescriptions for any of the skills areas, however it is considered unlikely that the required level of exposure will be achieved at an advanced level by demonstrating the skill only once or over a limited period of time.

3. SAICA'S APPROACH TO ACCREDITATION

3.1. The role of training and experience

In the context of the SAICA training programme, training is defined as including workplace-based activities for developing an individual's competence to perform tasks relevant to the role of a CA(SA) or an AGA(SA).

Training may be undertaken while performing actual tasks (on-the-job training) or indirectly through instruction or workplace simulation (off-the-job training). In both cases training is conducted within the context of the workplace, with reference to the specific roles or tasks performed by a CAs(SA) and AGAs(SA). As such, it can include any activity purposefully designed to improve the ability of an individual to fulfil the practical experience requirements for qualification as a CA(SA) or AGA(SA).

Workplace training and experience must complement the formal education programme and should form a basis for career development.

It is in the interests of all concerned — the trainee accountant, the training officer and the profession — that the period of training should be used effectively, with the trainee accountant gaining range and depth of experience at progressive levels of responsibility.

A requirement for a successful workplace training and experience programme is therefore that it must provide practical experience and training that complement the education programme through the integrated application of the prescribed technical body of knowledge, skills and professional values.

3.2. Accreditation as a training office

The main objective of accrediting a training office is to allow that office to train prospective SAICA members.

TRECO through the Accreditation and Monitoring Sub-committee will consider and determine –

- whether or not to accredit an organisation that has applied for accreditation;
- the accreditation status and duration of the accreditation of the training office;
- the accreditation allocation, that is, the number of trainee accountants that may be engaged in a training office at any given time;
- the elective(s) that the training office may offer; and
- whether or not to increase the number of trainee accountants if so requested by a training office on the prescribed form.

In order to be accredited, the training office must –

- **Fulfil the criteria for accreditation as prescribed by TRECO from time to time;**
- **Apply separately for accreditation for each elective that the training office would like to offer; and**
- **Comply with all the provisions of the training regulations relating to accreditation.**

The accreditation of a training office is valid for a specific period based on the rating achieved when accredited for the first time or during the most recent re-accreditation visit, and continued accreditation is dependent on the office demonstrating, to TRECO's satisfaction, through a process of re-accreditation site visits, that it continues to meet the accreditation criteria.

The most important criterion for accreditation is the ability to deliver the appropriate range, depth and quality of training and experience. No organisation will be excluded from accreditation solely on the grounds of size or sector.

A training office (whether prospective or currently accredited) must demonstrate a commitment to provide training for prospective SAICA members and should provide adequate training structures/facilities.

Features of a suitable environment will include —

- A setting that is clearly conducive to the training of CAs(SA) or AGAs(SA);
- A clearly defined policy for keeping staff up to date with developments in the profession (e.g. a commitment to continuing professional development);
- CAs(SA) and AGAs(SA) who are capable and willing to act as assessors; and
- An appropriately qualified training officer.

In order to become or to remain accredited, an organisation must demonstrate an ability to provide trainee accountants with -

- training and experience relating to the prescribed competencies;
- non-repetitive experience of increasing range (variety) and depth (complexity);
- an opportunity to acquire an understanding of the ethical dimension of the profession;
- continuing quality monitoring and supervision, especially adequate time for on-the-job training;
- regular monitoring of their practical experience, including procedures to ensure the effective assessment of each trainee accountant's competence; and
- appropriate non-financial support to encourage academic progress.

Accreditation of a training office is not an assurance that it is achieving the required standard of delivery of the training programme. Instead, by accrediting a training office, SAICA confirms that the training office has put in place the appropriate resources and structures that, if utilised effectively, should enable it to deliver the workplace training and experience programme at the standards and levels of quality as prescribed by SAICA.

The accreditation process is a partnership between the training office and SAICA, and as such requires effective cooperation between the office and SAICA. The quality of the experience and training offered by the training office (i.e. the extent to which it meets SAICA's standards) is, however, the sole responsibility of the office. SAICA's responsibility is to monitor the extent to which the training office meets SAICA's standards, and to issue a conclusion in this regard.

4. PROCEDURES FOR THE ACCREDITATION AND MONITORING OF SAICA TRAINING OFFICES

4.1. Principles

Effectiveness

- Ensure accreditation criteria can be complied with and are enforced;
- Provide comprehensive and constructive feedback to training officers, acknowledging areas of best practice;
- Aim for greatest level of compliance without excessive enforcement procedures; and
- Ensure appropriate communication of findings and learning points to improve overall compliance.

Proportionality

- Regulate in a proportionate way based on levels of risk; and
- Develop regulations considering the burden of and penalties for compliance.

Fairness

Ensure all regulatory procedures are fair.

Consistency

Consistency in monitoring and disciplinary procedures and action.

Transparency

Ensure regulatory procedures and processes are documented clearly and policies are publicly available.

Accountability

Ensure accreditation decisions can be justified

4.2. Frequency of re-accreditation interventions

The period of accreditation and in turn the frequency of re-accreditation interventions is determined by the Risk rating of the office (as defined in the Training Regulations).

The determination of the risk rating at any point in time rests with SAICA.

A change in a training officer may trigger a full site visit within 12 months from the date of the change.

Rating scales and period of time to next intervention:

Risk RATING	ACCREDITATION PERIOD
Low	36 months
Medium	24 months
High	12 months
Very High	6 months

4.3. De-accreditation

Possible grounds for de-accreditation:

- Obtaining a Very High risk rating in two successive re-accreditation visits;
- Failure to participate in re-accreditation activities (refusal or failure to confirm/receive visits);
- Failure to comply with training regulations; and
- Failure to pay training office and training contract-related fees.

All de-accreditation decisions are taken by the Accreditation and Monitoring Subcommittee of TRECO, on submission of motivation and supporting documents from the Secretariat.

De-accredited training offices can lodge an appeal against the de-accreditation decision with the AMS. If the AMS denies the appeal, and the de-accredited training office is aggrieved by this decision, they can appeal to TRECO. The decision by TRECO is final and binding.

Training Regulation 5 deals with lapse or cancellation of accreditation.

5. ACCREDITATION CRITERIA

The accreditation criteria can be found in Annexure 2 of the Training Regulations.

6. PRESCRIBED COMPETENCIES

Effective 1 January 2016 and applicable to all trainee accountants whose training contracts have an end date after 30 April 2017

Explanation of some of the verbs used in the competencies and tasks:

“evaluates” means to analyse and form a critical opinion and then to document this opinion

“calculates” means to calculate and document

“performs” means to perform and document

“recommends” means to make recommendations in writing

“identifies” means to identify and document

Interpretation of tasks:

Lists provided by way of example (indicated by **“for example”**) are not prescriptive. The tasks performed by a trainee accountant to demonstrate competence in the prescribed competency may include some, all or none of the examples provided.

Lists prefaced by “including” are prescriptive and inclusive.

COMPULSORY SKILLS

ACCOUNTING AND EXTERNAL REPORTING

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
AE(C)1	Evaluates appropriate accounting frameworks and policies	AE(C)1.1	Based on the entity's financial reporting needs and the stakeholders identified, evaluates the appropriateness of the accounting framework
		AE(C)1.2	Evaluates accounting policies in accordance with the appropriate accounting framework
AE(C)2	Evaluates or accounts for the entity's transactions, including non-routine transactions	AE(C)2.1	Evaluates or accounts for routine transactions, for example sales, cost of sales, operating expenses, etc.
		AE(C)2.2	Evaluates or accounts for non-routine transactions, for example accounting estimates, transactions requiring judgement, business acquisitions, disposals of assets or groups of assets, discontinued operations, deferred tax, etc.
		AE(C)2.3	Prepares or evaluates reconciliations of financial information, for example bank reconciliations, accounts payable reconciliation, general ledger control account reconciliations, reconciliations between management accounts and the general ledger, etc.
AE(C)3	Prepares or evaluates financial statements and accompanying notes	AE(C)3.1	Prepares or evaluates financial statements in accordance with the identified accounting framework
		AE(C)3.2	Prepares or evaluates notes to the financial statements in accordance with the identified accounting frameworks
		AE(C)3.3	Prepares or evaluates the non-financial information in the annual financial statements, for example Directors' Report, Corporate Governance Report, Sustainability Report, Integrated Report, etc.
AE(C)4	Interprets financial statements	AE(C)4.1	Calculates performance, efficiency (activity), solvency and liquidity ratios from the financial statements
		AE(C)4.2	Based on the ratios calculated in AE(C)4.1, evaluates the performance, efficiency (activity), solvency and liquidity ratios from the financial statements

PROFESSIONAL CONDUCT

Trainee accountants are required to provide examples of how they have demonstrated the competency and must be assessed on whether or not they have demonstrated the principles of professional conduct – *Please take note of the revised approach to the assessment of business ethics*

Competencies		Tasks	
PC(C)1	Acts ethically and in accordance with the rules of professional conduct	Integrity	
		PC(C)1	Being straightforward and honest in all business and professional relationships
		PC(C)2	Identifies and adequately responds to potential ethical dilemmas
		Due care	
		PC(C)3	Carries out work with due care
		Objectivity	
		PC(C)4	Not allowing bias, conflict of interest or undue influence of others to override professional or business judgement
		Confidentiality	
		PC(C)5	Respects and protects the confidentiality of information
		Professional behaviour	
PC(C)6	Maintains and enhances the profession's reputation		

MANAGEMENT AND LEADERSHIP

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competency		Tasks	
ML(C)	Demonstrates an ability to manage and lead	ML(C)1	Manages and supervises others effectively
		ML(C)2	Plans and manages projects
		ML(C)3	Effectively participates in meetings
		ML(C)4	Leads effective meetings
		ML(C)5	Respects deadlines, manages time and organises tasks logically
		ML(C)6	Collaborates with colleagues and/or clients from diverse backgrounds and works effectively as a team member
		ML(C)7	Resolves conflict or differences and negotiates appropriate solutions

PERSONAL ATTRIBUTES

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competency		Tasks	
PA(C)	Maintains awareness of new developments, exercises initiative and communicates effectively	PA(C)1	Identifies and evaluates critical factors in the economic, social, legislative, regulatory and political environment that impact on business and the financial decisions of an entity
		PA(C)2	Responds and adapts to change
		PA(C)3	Identifies problems and recommends appropriate solutions
		PA(C)4	Obtains required information by asking appropriate and probing questions
		PA(C)5	Communicates effectively in written format
		PA(C)6	Communicates effectively in verbal format
		PA(C)7	Takes responsibility for own development

INFORMATION TECHNOLOGY

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competency		Tasks	
IT(C)	Uses IT as a means of working more efficiently and effectively	IT(C)1	Uses IT applications, including spreadsheets, word processing, presentations and e-mail, effectively
		IT(C)2	Uses the internet effectively as a source of relevant and reliable information
		IT(C)3	Applies procedures and controls to ensure integrity and security of personal IT resources, for example password protection, backup procedures, distribution of confidential information, anti-virus measures, etc.

ELECTIVE SKILLS

AUDITING AND ASSURANCE

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
AA(E)1	Performs pre-engagement activities	AA(E)1.1	Evaluates the nature, scope, standards and legislation applicable to a particular engagement
		AA(E)1.2	Identifies the factors to be considered in accepting or continuing with an engagement
		AA(E)1.3	Drafts or evaluates an appropriate engagement letter for an engagement or outlines the appropriate content for such a letter
AA(E)2	Obtains an understanding of the entity and its environment, including internal control	AA(E)2.1	Obtains a qualitative understanding of the entity and its environment and documents this information in an appropriate format
		AA(E)2.2	Identifies and documents the major classes of transactions and balances for an engagement entity
		AA(E)2.3	Obtains an understanding of and documents the entity's internal control
AA(E)3	Evaluates the risk of material misstatement	AA(E)3.1	Evaluates the adequacy of the design of control activities in the prevention or detection of material misstatement, and suggests improvements where appropriate
		AA(E)3.2	Evaluates the risk of material misstatement at an overall financial statement level (including an evaluation of the appropriateness of the going concern assumption)
		AA(E)3.3	Evaluates the risk of material misstatement at the assertion level for classes of transactions, account balances and disclosures
		AA(E)3.4	Evaluates the risk of material misstatement due to fraud
		AA(E)3.5	Evaluates the risk of material misstatement due to non-compliance with laws and regulations
		AA(E)3.6	Identifies and evaluates the significant risks that could result in material misstatement
AA(E)4	Calculates and justifies planning materiality	AA(E)4.1	Identifies and evaluates the factors that affect planning materiality
		AA(E)4.2	Calculates a justifiable level of planning materiality for an engagement
AA(E)5	Designs or selects effective and efficient procedures	AA(E)5.1	Designs or selects appropriate tests of internal control (including IT internal controls, where appropriate), including the determination of sample sizes and methods of selection
		AA(E)5.2	Designs or selects appropriate substantive tests of detail, including the determination of sample sizes and methods of selection
		AA(E)5.3	Designs or selects appropriate substantive analytical review procedures
		AA(E)5.4	Evaluates the need for using the work of others in conducting the audit, for example experts, internal auditors or component auditors, etc.
		AA(E)5.5	Evaluates the need to use computer assisted audit techniques to gather suitable audit evidence
AA(E)6	Executes the audit plan and documents and evaluates results	AA(E)6.1	Performs the planned tests of internal control and identifies situations where follow-up/extended work is required
		AA(E)6.2	Performs the planned substantive tests of detail and identifies situations where follow-up/extended work is required
		AA(E)6.3	Performs the planned substantive analytical review procedures and identifies situations where follow-up/extended work is required
		AA(E)6.4	Evaluates whether the procedure meets the stated objective
		AA(E)6.5	Recommends modifications to the audit plan, where necessary, in response to the results of procedures performed
AA(E)7	Completes the engagement	AA(E)7.1	Evaluates the impact of identified misstatements against final materiality (quantitative and/or qualitative) and evaluates the need for additional

Competencies		Tasks	
			work
		AA(E)7.2	Performs a subsequent events review to identify potential adjusting subsequent events
		AA(E)7.3	Evaluates the appropriateness of the going concern assumption
		AA(E)7.4	Evaluates the management representation letter and recommends modifications, where applicable
AA(E)8	Prepares information for meetings with stakeholders	AA(E)8.1	Prepares the report to management on findings arising from the engagement
AA(E)9	Evaluates potential reportable irregularities	AA(E)9.1	Evaluates whether there are potential unlawful acts or omissions and whether or not they may constitute a reportable irregularity and, if appropriate, inform the supervisor of the potential irregularity

FINANCIAL MANAGEMENT

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
FM(E)1	Evaluates the entity's financial situation	FM(E)1.1	Evaluates the entity's/business unit's financial position, for example, using financial analysis, ratio analysis, trend analysis and/or cash flow analysis, etc.
		FM(E)1.2	Recommends improvements to the performance of the entity/business unit, based on the analysis performed
FM(E)2	Monitors cash flow	FM(E)2.1	Prepares or evaluates a cash flow forecast for an entity/business unit
		FM(E)2.2	Identifies when there may be a cash shortfall and recommends possible action plans
FM(E)3	Evaluates the entity's working capital	FM(E)3.1	Evaluates the entity's/business unit's current working capital position or components of it, for example, inventory, accounts receivable or payable management, etc. and, where required, recommends improvements
FM(E)4	Identifies and evaluates sources of funds	FM(E)4.1	Evaluates an entity's/business unit's funding needs
		FM(E)4.2	Evaluates sources of funding to meet the entity's/business unit's funding needs
		FM(E)4.3	Evaluates the need for the use of financial instruments in managing an entity's/business unit's funding needs
FM(E)5	Evaluates business plans, financial proposals or growth strategies	FM(E)5.1	Evaluates a business plan or financial proposal
		FM(E)5.2	Evaluates the appropriateness and impact of the growth strategies formulated and adopted by the entity
FM(E)6	Evaluates capital investment decisions	FM(E)6.1	Evaluates the opportunities, risks and financial implications associated with the replacement or acquisition of a capital asset
		FM(E)6.2	Evaluates financial implications of investment decisions using the appropriate capital budgeting techniques
		FM(E)6.3	Evaluates or makes recommendations on the replacement or acquisition of a capital asset
FM(E)7	Values a business or business units or components of a business	FM(E)7.1	Calculates a reasonable range of values for a business or business units or components of the business, using different valuation techniques
		FM(E)7.2	Identifies the critical assumptions and facts that underlie the valuation estimate, including factors affecting the accuracy of the valuation
		FM(E)7.3	Performs a sensitivity analysis on the assumptions used in the valuation model in order to obtain a reasonable range of possible values

MANAGEMENT DECISION-MAKING AND CONTROL

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
MD(E)1	Identifies and evaluates the entity's/business unit's key performance indicators	MD(E)1.1	Identifies the financial and non-financial performance indicators that are key to the entity/business unit, including any industry-specific benchmarks
		MD(E)1.2	Evaluates performance measurement methods for key performance indicators.
MD(E)2	Evaluates the design of the entity's responsibility accounting system	MD(E)2.1	Evaluates the key components of the management accounting system of an entity/business unit, including the financial and non-financial reports produced
MD(E)3	Prepares budgets and performs sensitivity analyses	MD(E)3.1	Prepares a budget for an entity/business unit, with clearly documented assumptions
		MD(E)3.2	Performs sensitivity analysis on prepared budgets, varying key assumptions to document a range of possible outcomes
MD(E)4	Analyses and interprets budget variances	MD(E)4.1	Evaluates the actual performance against budget, and investigates and documents reasons for variances
		MD(E)4.2	Makes recommendations to address variances
MD(E)5	Evaluates the applicability of cost management techniques	MD(E)5.1	Evaluates the methods used for allocation of costs in the entity/business unit
		MD(E)5.2	Makes recommendations for improved cost control and cost efficiency
		MD(E)5.3	Evaluates cost allocation options within or across divisions within the entity/business unit, for example the appropriate application of transfer pricing.
MD(E)6	Evaluates relevant information with application to business decisions	MD(E)6.1	Evaluates and makes practical use of financial information that is relevant to pricing decisions, capacity utilisation and the implications of the existence of constraints

TAXATION

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
TX(E)1	Evaluates tax payers' tax profile	TX(E)1.1	Identifies the information required for the analysis of an entity's tax profile, for example the form of the entity, taxpayer's residency and liability for tax, exposure to taxation associated with various forms of income and organisational structure, etc.
		TX(E)1.2	Evaluates the tax implications of different taxpayers' structures for example cash salary vs. fringe benefits, shares, loans or dividends, trusts, partners, companies, etc.
TX(E)2	Calculates or evaluates income tax payable and prepares or evaluates income tax returns for individuals	TX(E)2.1	Calculates or evaluates the income tax payable for an individual, considering: <ul style="list-style-type: none"> • inclusion and classification of income from different sources, for example, employment including fringe benefits and lump sum benefits, property, business, capital gain/loss, other income, etc. • exclusion of exempt income • deductibility of expenses, for example, contributions to pension or retirement funds, income protection policies, assets used for trade purposes, legal fees and study at home, etc.

Competencies		Tasks	
		TX(E)2.2	Prepares or evaluates income tax returns
		TX(E)2.3	Identifies when capital gains tax (CGT) is applicable and calculates or reviews the CGT payable on qualifying transactions
TX(E)3	Calculates or evaluates income tax payable and prepares or evaluates income tax returns for legal entities	TX(E)3.1	Calculates or evaluates the income tax payable for a legal entity, considering: <ul style="list-style-type: none"> • type of legal entity, for example, private, public, small business corporation, foreign, trusts, etc. • inclusion and classification of income, for example, active business income, income from property, capital gains, exemptions, etc. • deductibility of expenses, for example, capital allowances, assessed losses and special allowances, etc. • tax deductions and credits, for example, small business deduction, general tax reduction, etc.
		TX(E)3.2	Prepares or evaluates income tax returns
		TX(E)3.3	Identifies when capital gains tax (CGT) is applicable and calculates or reviews the CGT payable on qualifying transactions
TX(E)4	Calculates other taxes payable and prepares or evaluates appropriate returns	TX(E)4.1	Calculates or evaluates withholding tax for example interest or dividend withholding tax
		TX(E)4.2	Identifies when indirect taxes, for example VAT or customs duty, are applicable and calculates or evaluates the indirect tax payable
		TX(E)4.3	Prepares or evaluates indirect tax returns
		TX(E)4.4	Prepares or evaluates provisional tax and employees tax (PAYE, SDL and UIF) returns
TX(E)5	Makes recommendations on specific tax transactions	TX(E)5.1	Makes recommendations concerning tax transactions, taking into consideration applicable legislation, including, but not limited to, anti-avoidance legislation
TX(E)6	Prepares or evaluates information to respond to assessments, file objections and appeals	TX(E)6.1	Evaluates the content of assessments and reassessments
		TX(E)6.2	Prepares or evaluates supporting documentation required to initiate an appeal or file a notice of objection

RISK MANAGEMENT AND GOVERNANCE

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
RM(E)1	Identifies and evaluates the risks pertaining to the financial information system	RM(E)1.1	Identifies strategic, operational, financial, regulatory and information system risks, based on an understanding of the environment in which the entity/audit engagement operates, its strategies and management processes
		RM(E)1.2	Evaluates the business processes which are susceptible to fraud and, where necessary, document the systems introduced by the business to mitigate the risk
RM(E)2	Evaluates the key internal controls (including IT related controls) implemented in an entity	RM(E)2.1	Evaluates the entity's key business processes, including the procurement processes, and identifies general and application controls, both manual and IT, within these business processes
RM(E)3	Evaluates internal control	RM(E)3.1	Selects suitable criteria or a recognised framework for control evaluation
		RM(E)3.2	Evaluates the design adequacy of internal control, including application and general controls within the IT environment in the context of the criteria/recognised framework

Competencies		Tasks	
RM(E)4	Conducts planning and fieldwork within the scope of internal audit policies	RM(E)4.1	Designs an appropriate audit programme
		RM(E)4.2	Performs appropriate fieldwork in accordance with the audit programme
		RM(E)4.3	Applies sampling techniques in accordance with the audit programme
		RM(E)4.4	Analyses test results to determine if additional work is required, or if no further testing is necessary, to conclude on the effectiveness of the control environment
RM(E)5	Documents the results of internal audit procedures performed	RM(E)5.1	Creates internal audit documentation that provides a clear link to significant findings or issues that arose during the engagement, and that contains sufficient information to support the nature, timing and extent of procedures performed and the results of those procedures
RM(E)6	Evaluates evidence, draws conclusions and issues appropriate reports	RM(E)6.1	Evaluates the sufficiency and significance of the evidence and/or results of analysis
		RM(E)6.2	Identifies and evaluates inconsistencies, unexpected circumstances or findings, or findings that indicate possible fraud, error or illegal acts
		RM(E)6.3	Evaluates the reasonableness of the conclusions on the subject matter, based on the outcome of internal audit procedures
		RM(E)6.4	Assists in the preparation of the final report with recommendations, management responses and an action plan
RM(E)7	Assists in the evaluation of an entity's plans for risk management	RM(E)7.1	Recommends methods to manage risk, for example choosing not to undertake certain types of activities or transferring risk to third parties through insurance, hedging, outsourcing, etc. or mitigating risks through preventative and detective control procedures
RM(E)8	Conducts governance reviews in accordance with appropriate governance standards	RM(E)8.1	Evaluates the components of the entity's/audit engagement's governance structure and its role, for example board of directors, audit committee, etc.
		RM(E)8.2	Evaluates the corporate governance practices of an entity/audit engagement in relation to relevant legislation and practices, documenting recommendations for improvement
		RM(E)8.3	Evaluates the disclosure of corporate governance for an entity/audit engagement

RESIDUAL SKILLS

AUDITING AND ASSURANCE

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
AA(R)1	Demonstrates a basic appreciation and awareness of the practical considerations of the external audit function	AA(R)1.1	Evaluates the scope and the appropriateness of the terms of engagement, including the responsibilities of management and the responsibilities of the auditors
		AA(R)1.2	Evaluates the impact of identified misstatements on the financial statements in the context of materiality
		AA(R)1.3	Evaluates the appropriateness of the management representation letter
AA(R)2	Prepares information requested by the external auditors	AA(R)2.1	Prepares information for, or responds to requests by, the external auditors
AA(R)3	Communicates with external audit	AA(R)3.1	Communicates effectively with external audit stakeholders, for example identifying issues regarding the audit strategy, describing internal controls and financial systems used, any material issues identified during the course of the audit, etc.

FINANCIAL MANAGEMENT

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
FM(R)1	Evaluates the entity's financial situation	FM(R)1.1	Evaluates the entity's/business unit's/engagement client's financial position, for example using financial analysis, ratio analysis, trend analysis and/or cash flow analysis, etc.
FM(R)2	Monitors cash flow	FM(R)2.1	Prepares or evaluates a cash flow forecast for an entity/business unit/engagement client
		FM(R)2.2	Identifies when there may be a cash shortfall and recommends possible action plans
FM(R)3	Evaluates the entity's working capital	FM(R)3.1	Evaluates the entity's/business unit's current working capital position or components of it, for example, inventory, accounts receivable or payable management, etc. and, where required, recommends improvements
FM(R)4	Evaluates capital investment decisions	FM(R)4.1	Evaluates the financial implications of investment decisions using the appropriate capital budgeting techniques
FM(R)5	Values a business or business units or components of a business	FM(R)5.1	Calculates or evaluates a reasonable range of values for a business or business units or components of a business, using different valuation techniques, and identifies the factors and external influences that will impact on the calculated value of the business

MANAGEMENT DECISION-MAKING AND CONTROL

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
MD(R)1	Identifies and evaluates an entity's/business unit's key performance indicators	MD(R)1.1	Identifies financial and non-financial performance indicators that are key to the entity/business unit/audit engagement, including any industry-specific benchmarks
		MD(R)1.2	Evaluates performance measurement methods for key performance indicators
MD(R)2	Prepares budgets and performs sensitivity analyses	MD(R)2.1	Prepares a budget for an entity/business unit/audit engagement, with clearly documented assumptions
		MD(R)2.2	Performs sensitivity analysis on prepared budgets, varying key assumptions to document a range of possible outcomes
MD(R)3	Analyses and interprets budget variances	MD(R)3.1	Documents actual performance against budget, and investigates and documents reasons for variances
		MD(R)3.2	Makes recommendations to address variances

TAXATION

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

Competencies		Tasks	
TX(R)1	Calculates or evaluates income tax payable and prepares or evaluates income tax returns for individuals	TX(R)1.1	Calculates or evaluates the income tax payable for an individual, considering: <ul style="list-style-type: none"> inclusion and classification of income from different sources, for example, employment including fringe benefits and lump sum benefits, property, business, capital gain/loss, other income, etc. exclusion of exempt income deductibility of expenses, for example, contributions to pension or retirement funds or medical expenses, income protection policies, assets used for trade purposes, legal fees and study at home, etc.
		TX(R)1.2	Prepares or evaluates income tax returns
TX(R)2	Calculates or evaluates income tax payable and prepares or evaluates income tax returns for legal entities	TX(R)2.1	Calculates or evaluates the income tax payable for a legal entity, considering: <ul style="list-style-type: none"> type of legal entity, for example, private, public, small business corporation, foreign, trusts, etc. inclusion and classification of income, for example, active business income, income from property, capital gains, exemptions, etc. deductibility of expenses, for example, capital allowances, assessed losses and special allowances, etc. tax deductions and credits, for example, small business deduction, general tax reduction, etc.
		TX(R)2.2	Prepares or evaluates income tax returns
TX(R)3	Calculates other taxes payable and prepares or evaluates appropriate returns	TX(R)3.1	Calculates or evaluates withholding tax, for example interest or dividend withholding tax, etc.
		TX(R)3.2	Identifies when indirect taxes, for example VAT or customs duty, are applicable and calculates or evaluates the indirect tax payable
		TX(R)3.3	Prepares or evaluates indirect tax returns
		TX(R)3.4	Prepares or evaluates employees tax (PAYE, SDL and UIF) returns

RISK MANAGEMENT and GOVERNANCE

Trainee accountants are required to perform the prescribed tasks to a level 4 proficiency, i.e. they should be capable of performing the task with no intervention

	New competencies	New tasks	
RM(R)1	Identifies and evaluates the risks pertaining to the financial information system	RM(R)1.1	Evaluates strategic, operational, financial, regulatory and information system risks, based on an understanding of the environment in which the entity/audit engagement operates, its strategies and management processes
		RM(R)1.2	Identifies the business processes which are susceptible to fraud and, where applicable, documents the systems introduced by the business to mitigate the risk
RM(R)2	Identifies the key internal controls (including IT related controls) implemented in an entity	RM(R)2.1	Identifies the entity's key business processes, including the procurement processes, and identifies general and application controls, both manual and IT, within these business processes
RM(R)3	Evaluates internal control	RM(R)3.1	Evaluates the design adequacy of internal control, including application and general controls within the IT environment in the context of the criteria/recognised framework
RM(R)4	Conducts governance reviews in accordance with appropriate governance standards	RM(R)4.1	Documents the components of the entity's/audit engagement's governance structure and its role, for example board of directors, audit committee, etc.
		RM(R)4.2	Evaluates the corporate governance practices of an entity/audit engagement in relation to relevant legislation and practices