

Frequently asked questions Associate General Accountant [AGA(SA)]

Please note:

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.

The information provided in this document does not constitute legal advice and should be read in that context

About SAICA

The South African Institute of Chartered Accountants (SAICA) is the leading accountancy body in South Africa and one of the prominent institutes globally. SAICA offers three reputable professional accounting and business designations from a foundational to a strategic level of accounting and business competence – **Accounting Technician [AT(SA)]**, **Associate General Accountant [AGA(SA)]** and **Chartered Accountant [CA(SA)]**. These three designations are underpinned by the SAICA Code of Professional Conduct (the SAICA Code) and continuous professional development (CPD) to ensure the highest level of professionalism, discipline and performance.

SAICA is at the forefront of developing, influencing and leading the highest standards of ethics, education and professional excellence in the delivery of quality accountancy skills. This is achieved by safeguarding the professional standards of the designations on offer; advancing and maintaining the relevancy of the profession; and by regulating the members' and associates' professional conduct against the SAICA Code.

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. The SAICA by-laws as amended¹ defines the Code of Professional Conduct in Appendix 4 as “*The “**Code of Professional Conduct**” is the Code of Professional Conduct of the South African Institute of Chartered Accountants as amended by the Institute from time to time and which is applicable to Members, Associates and Trainees.*”

An associate is defined in the Code as: “*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” of “Associate General Accountant (South Africa) or the initials AGA(SA) or a person who has been admitted and registered as associate (AT) with the Institute and therefore entitled to use the designation of Fellow Member of Association of Accounting Technician (South Africa)” or the initials “AT(SA)”.*”

Failure to comply with the Code of Professional Conduct is defined as an offence, whether by omission or commission. Committing a breach of any rule or provision of the Code of Professional Conduct or having been warned preciously by the board or any committee appointed by it, continuing to commit a breach of the Code of Professional Conduct shall constitute a Punishable Offence.

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

Yes, an AGA can compile the financial statements of 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 as they qualify to be an accounting officer.

Reference: Companies Act - Regulation 26(1)

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

“(aa) a registered auditor in terms of the Auditing Profession Act, No. 26 of 2005 (“the APA”);

(bb) a member in good standing of a professional body that has been accredited in terms of S33 of the Auditing Profession Act; or

(cc) 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?

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

¹ SAICA by-laws and appendices, approved by the SAICA Board on 16 April 2020, effective from 1 June 2020

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 a registered auditor; or 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 do 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?

In terms of the Schools Act, No.84 of 1996 the governing body of a public school must appoint a registered auditor or a person who is qualified as an accounting officer to examine and report on the records and financial statements, where the public school requested approval from the Member of the Executive Council. As AGAs are recognised as accounting officers they can be appointed as an accounting officer for a school.

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- 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 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 non-profit organisation in terms of the Non-Profit Organisations Act, No.71 of 1997?

Yes, as AGAs are recognised as accounting officers they can be appointed in terms of the Non-Profit Organisations Act, No.71 of 1997 which 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. Interm 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 the organisation has complied with the provisions of the Non-profit Organisations.”

9) 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 requires 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

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

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.”

Therefore body corporates no longer require the services of an accounting officer, but their annual financial statements needs to be prepared and audited by an independent auditor.

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 as associates of SAICA, will be allowed to register as tax practitioners.

The SAICA Member Compliance Department performs due diligence assessments on declarations received from members wishing to register as tax practitioners with SAICA as the Recognised Controlling Body (RCB).

The AGA(SA) must confirm that during the period in which he/she is registering with SAICA as the RCB:

- (a) The member/associate must have read and comply with SAICA’s code of conduct (i.e. ethics code) and be tax compliant in all material respects in the conduct of my personal tax affairs on the date of this declaration
- (b) The member/associate’s membership with any other recognised controlling body must not have been terminated within the last five years as a result of serious misconduct
- (c) The member/associate must not have been convicted of theft, fraud, forgery or issuing a forged document or committed a dishonesty offence in the last five years
- (d) The member/associate must not have been convicted of a serious tax offense within the last five years
- (e) The member/associate must have/will have attained at least 15 hours of tax specific CPD in the 2020 SAICA associate membership period for purposes of being a tax practitioner (pro rata for lesser period), of which 60% is verifiable, and maintained relevant records for all CPD hours.

Registration process:

The registration process is available on the SAICA website:

<https://www.saica.co.za/Technical/Tax/TaxPractitionerRegulation/tabid/4030/language/en-US/Default.aspx>