

TRAINING REGULATIONS

Effective 1 January 2013

NOTES:

- *Words importing the masculine gender include the female gender*
- *Insertions are indicated in bold, underlined text*
- *Deletions are indicated by means of []*

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1. AUTHORITY AND INTERPRETATION OF THE REGULATIONS

- 1.1. The South African Institute of Chartered Accountants (SAICA), after consultation with relevant stakeholders, has determined that the following Training Regulations pertain to the training of trainee accountants.
- 1.2. These Regulations must be interpreted in a manner that is consistent with the SAICA Constitution, By-laws and the Code of Professional Conduct, the *Auditing Profession Act, 2005 (Act 26 of 2005)* and any other applicable legislation of the Republic of South Africa, in order to give effect to the objective of producing competent, professional chartered accountants.
- 1.3. The headings and sub-headings in these Regulations must not be taken into account in the interpretation of these Regulations.
- 1.4. The annexures referred to in the Regulations form part of these Regulations
- 1.5. The explanatory notes are for clarification, and should be read in conjunction with these Regulations.

2. DISCRETIONARY POWERS OF SAICA REGARDING TRAINING AND ACCREDITATION MATTERS

- 2.1. SAICA has the power, in its absolute discretion and in the interests of the profession, to –
 - 2.1.1. refuse to register a training contract of a trainee accountant who, despite the fact that he meets other registration requirements, is nevertheless disqualified for registration as a CA(SA) in terms of SAICA's Constitution and By-laws (also refer to Regulation 30.4 and Annexure 3); and/or
 - 2.1.2. order the cancellation of the training contract of a trainee accountant who, despite the fact that he meets other requirements in terms of his training contract, is nevertheless disqualified for registration as a CA(SA) in terms of SAICA's Constitution and By-laws; and/or
 - 2.1.3. refuse to consent to any request or application relating to the training contract (also refer to Regulation 30.4); and/or
 - 2.1.4. make any decision relating to any existing training contract; and/or
 - 2.1.5. make any decision relating to the accreditation or continued accreditation of a training office.
- 2.2. Notification in writing to the trainee accountant and to the training officer or to the applicant about SAICA's decision relating to training or accreditation matters is final and binding, provided all the relevant appeal procedures of SAICA have been exhausted.

3. DEFINITIONS, ABBREVIATIONS AND ACRONYMS

In these Regulations, unless expressly stated otherwise or inconsistent with the context in which they appear –

“academic progress” means the satisfactory completion of all or sufficient subjects to enable a trainee to make one further year of progress towards the completion of the CTA or equivalent (the trainee must thus progress one year closer to writing Part I of the QE). The trainee must achieve at least one year of academic progress during any two calendar years. This progress is measured by passing the examinations of the accredited education institution;

“academic trainee accountant” means a trainee who participates in SAICA's academic traineeship programme and spends the first year of his training contract at an education institution that offers an academic training programme accredited by SAICA for this purpose;

“accreditation criteria” mean a set of requirements with which an organisation has to comply before it can be accredited as a training office;

“accredited BCom” means a qualification accredited by SAICA;

“accredited education institution” means an institution that awards a qualification accredited by SAICA;

“ANA” means an assessment needs analysis and refers to a form used as part of the assessment process to record a trainee accountant’s cumulative competence to date; analyse his developmental needs; and provide developmental and support plans on how these developmental needs will be addressed during the next evaluation period;

“branch” means an office that forms part of a group training office and where trainees may be deployed;

“CA(SA)” means a Chartered Accountant (South Africa) who is registered as such with SAICA;

“complaint” means any information which is provided to SAICA in terms of the complaints procedure set out in Annexure 3 or any information which comes to SAICA’s attention through any other means, which may contravene the SAICA By-Laws or Constitution or these Regulations;

“core experience hours” refers to all time spent by a trainee on work or activities related to the prescribed compulsory, elective and residual competencies and excludes academic studies;

“CTA” means a Certificate in the Theory of Accountancy and refers to a qualification conferred by an accredited education institution and recognised by SAICA as a prerequisite for admission to Part 1 of its QE;

“elective, residual and compulsory skills” mean the skills prescribed by SAICA in terms of the CA Training Programme;

“employment contract” means a contract or letter signed by the training office and acknowledged by the trainee accountant, which deals with the conditions of employment of the trainee accountant as provided for in the *Basic Conditions of Employment Act, 1997* (Act 75 of 1997), the *Labour Relations Act, 1996* (Act 66 of 1996) and other applicable legislation;

“follow-up visit” means a visit to a training office to determine if the shortcomings identified during the re-accreditation visit have been addressed;

“group training office” refers to the head office and branches of a training office which are collectively accredited;

“head office” refers to the entity of a group training office where the trainees of that group training office are employed;

“IRBA” means the Independent Regulatory Board for Auditors established in terms of the *Auditing Profession Act, 2005* (Act 26 of 2005);

“notify” means to communicate with SAICA in writing using the method or procedure prescribed by the particular Regulation;

“pre-accreditation visit” is a site visit conducted to a prospective training office to establish the extent to which the training office meets the SAICA accreditation criteria as set out in Annexure 2 of these Regulations;

“PSR” means a professional skills review and refers to a form used as part of the assessment process to document and review the competence demonstrated by the trainee accountant in the prescribed professional skills;

“QE” means the qualifying examinations set by SAICA as a prerequisite for registration as a CA(SA);

“re-accreditation visit” means a routine site visit to a training office to establish the extent to which the training office meets the SAICA accreditation criteria, as set out in Annexure 2 of these Regulations;

“registered assessor” means a CA(SA) who has met the requirements as determined by TRECQ for registration as an assessor. A training office is required to maintain a minimum ratio of one assessor for every 15 trainees;

“RPL” means recognition of prior learning and refers to a mechanism for the recognition of the achievement of one or more of the competencies prescribed by SAICA, however obtained. In terms of RPL a trainee need not undergo any further learning intervention in respect of the relevant competency or competencies;

“RA” means a registered auditor and refers to an individual or firm registered as an auditor with the IRBA;

“SAICA” means The South African Institute of Chartered Accountants;

“stand-alone training office” refers to a head office or a branch which has been separately accredited as a training office;

“TCMS” means a training contract management system and refers to the online system for the registration and management of training contracts;

“TSR” means a technical skills review and refers to a form used as part of the assessment process to document and review the competence demonstrated by the trainee accountant in the relevant technical skills areas prescribed by SAICA;

“TIPP” means training inside public practice;

“TOPP” means training outside public practice;

“trainee accountant (trainee)” means a person who is employed by a training office and who is serving under a training contract;

“training contract” means a written contract, entered into on the prescribed form and registered by SAICA, whereby a trainee accountant is duly bound to serve a training office for a specified period and is entitled to receive training in the prescribed competencies, and which meets the requirements for a learnership agreement in terms of the *Skills Development Act, 1998 (Act 97 of 1998)*;

“training office” means an accredited training office whether within or outside the borders of South Africa, and refers to an organisation in commerce and industry or public practice or the public sector that is approved by and registered with SAICA as an organisation where prospective CAs(SA) may be trained;

“training officer” means a person who is a member of SAICA and who is responsible for performing the functions and duties ascribed to a training officer in terms of these Regulations;

“training requirements” means the technical and professional skills requirements as prescribed by SAICA for the TIPP or TOPP programmes, or the compulsory, elective and residual skills areas prescribed for training contracts entered into on or after 1 January 2010;

“TRECO” means the Training Requirements Committee of SAICA and includes its subcommittees; and

“work attendance hours” means the hours of work as defined in a trainee’s employment contract.

4. REQUIREMENTS FOR ACCREDITATION AS A TRAINING OFFICE

- 4.1. The main objective of accrediting a training office is to allow that office to train prospective CAs(SA).
- 4.2. TRECO will consider and determine –
 - 4.2.1. whether or not to accredit an organisation that has applied for accreditation;
 - 4.2.2. the accreditation period, that is the duration of the accreditation of the training office;
 - 4.2.3. the accreditation status, that is, the number of trainee accountants that may be engaged in a training office at any given time;
 - 4.2.4. the elective(s) that the training office may offer;
 - 4.2.5. whether or not to increase the number of trainee accountants if so requested by a training office on the prescribed form.
- 4.3. In order to be accredited, the training office must –
 - 4.3.1. fulfil the criteria for accreditation as prescribed by TRECO from time to time and contained in Annexure 2;
 - 4.3.2. apply separately for accreditation for each elective that the training office would like to offer; and
 - 4.3.3. comply with all the provisions of these Regulations relating to accreditation.
- 4.4. The accreditation of a training office is valid for a specific period based on the rating achieved 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 referred to in Regulation 4.3.1 above.
- 4.5. The most important criterion for accreditation is the ability to deliver the appropriate breadth, depth and quality of training and experience.
- 4.6. No organisation will be excluded from accreditation solely on the grounds of size or sector.
- 4.7. A training office (whether prospective or currently accredited) must demonstrate a commitment to provide training for prospective CAs(SA) and must provide adequate training structures/facilities.
- 4.8. In order to become or remain accredited, an organisation must demonstrate an ability to provide trainees with appropriate financial and non-financial support to encourage academic progress.
- 4.9. A training office can apply to be accredited either as a stand-alone training office or as a head office with accredited branches (a group training office).
- 4.10. The following provisions apply to group training offices:
 - 4.10.1. One office must be designated as the head office;
 - 4.10.2. The training officer and the trainees must be employed by the same legal entity (the head office) and the training officer must accept responsibility for all the trainees registered with the entity;
 - 4.10.3. In order for trainees to be deployed at a branch office of a group training office, the prescribed ratio of registered assessors to trainees must be maintained at that branch;
 - 4.10.4. The head office and each branch of the group training office will be subject to the applicable re-accreditation site visit within the same visit cycle;
 - 4.10.5. The training officer must be present at each branch during the course of the re-accreditation site visit.

5. LAPSE OR CANCELLATION OF ACCREDITATION

- 5.1. Accreditation lapses automatically if no trainees have been registered in a training office for a continuous period of 12 months, after which the organisation will have to apply for accreditation if it wishes to employ trainees in the future.
- 5.2. TRECO may cancel the accreditation of a training office that fails to comply with the –
 - 5.2.1. Training Regulations; and/ or
 - 5.2.2. accreditation criteria and/or
 - 5.2.3. re-accreditation site visit requirements.

6. MISREPRESENTATION ABOUT ACCREDITATION

- 6.1. It is a punishable offence for a non-accredited organisation to employ prospective trainee accountants or to misrepresent itself to prospective trainee accountants as a training office.
- 6.2. Contravention of this Regulation is considered to be unprofessional conduct and will be dealt with in terms of the SAICA By-laws/IRBA rules and/or in terms of any applicable legislation.

7. REGISTRATION REQUIREMENTS

- 7.1. Each training office must register one person as a training officer on the prescribed form.
- 7.2. In the case of group training offices, the training officer must be situated and employed at the head office, and must accept responsibility for all the trainees registered with the head office and deployed at each branch of the group training office.
- 7.3. In the case of stand-alone training offices, the training officer must be situated and employed at the training office.
- 7.4. The training officer must, on behalf of the organisation, accept responsibility for the training of trainee accountants carried out at, or from, the training office, in accordance with the requirements of TRECO.
- 7.5. The person registered as a training officer must be a CA(SA) and a registered assessor, and, in the case of a training office accredited for purposes of the auditing and assurance elective, an RA, and must meet all the requirements stipulated in the accreditation criteria and these Regulations.
- 7.6. The training officer must enjoy the full support of the top management of the training office and there must accordingly be direct reporting lines between the training officer and executive management.
- 7.7. TRECO may refuse to register a person as a training officer, or may cancel a person's registration as a training officer, if such person has been found guilty by a committee of SAICA of any offence in terms of the By-laws, or, where applicable, has been found guilty of improper conduct by a committee of the IRBA.

8. DUTIES OF A TRAINING OFFICER

- 8.1. The training officer must fulfil his duties and responsibilities as set out in Annexure 7. [~~and in the training contract.~~]
- 8.2. Failure by a training officer to perform the duties and responsibilities as set out in these Regulations and in the training contract may constitute an offence and may lead to the de-accreditation of the training office.

9. RESPONSIBILITIES OF EXECUTIVE MANAGEMENT IN RESPECT OF THE SAICA TRAINING PROGRAMME

- 9.1. Although a registered training officer is required to carry out the duties ascribed to him in these Regulations, he is not solely responsible for the training of trainee accountants employed at the training office.
- 9.2. The training of trainee accountants employed at the training office is the joint responsibility of the entire management of that training office.
- 9.3. Senior managers, partners or directors or an authorised person must –
 - 9.3.1. immediately notify SAICA of an imminent change in the circumstances that could affect the training of trainee accountants in an accredited training office; and
 - 9.3.2. appoint and register a replacement training officer on the prescribed form, when and if the need arises.

10. LIABILITY FOR FEES AND REIMBURSEMENT IN RESPECT OF SUCH FEES

- 10.1. A training office, through its training officer, is liable for payment to SAICA of all fees in respect of the training contract, as prescribed by SAICA from time to time.
- 10.2. Late lodgement fees are payable by the training office for each month or part thereof that the lodgement of documents was overdue, calculated from the day following expiry of the due date for the submission of the said document/s.
- 10.3. Excessively late lodgement may be regarded as improper conduct in terms of the By-laws.
- 10.4. The training office may require a trainee accountant whose training contract has been cancelled to reimburse the training office in respect of disbursements actually made by the training office to SAICA in terms of SAICA By-law 34.15.
- 10.5. **However, any other claim which the training office may have against the trainee in terms of the employment contract for study loans and bursaries paid by the training office may be enforced by relying on the provisions of the employment contract.**
- 10.6. It is a contravention of SAICA's By-laws, **and may be deemed to be improper conduct**, for a training officer to require a trainee to reimburse the training office in respect of any disbursements not referred to in Regulation 10.4.

11. DUTIES AND RESPONSIBILITIES OF A TRAINEE ACCOUNTANT

- 11.1. The trainee must fulfil his duties and responsibilities as set out in Annexure 7 [~~and the training contract~~].
- 11.2. Failure by a trainee to perform any of the duties and responsibilities referred to in Regulation 11.1 may constitute an offence as determined by the Professional Conduct Committee.

12. HOURS OF WORK AND OVERTIME

- 12.1. A trainee accountant must be in the employ of a training office and must work sufficient hours per day to enable him to achieve the prescribed work attendance and core experience hours as defined in Regulation 17.1.
- 12.2. The requirement for a trainee accountant to work overtime must be regulated by the employment contract, and must comply with the provisions of applicable legislation. (Also refer to paragraph 2.3 of Annexure 7).

13. CONDITIONS OF EMPLOYMENT AND EMPLOYMENT CONTRACT

- 13.1. Training offices are entitled to specify their own criteria for recruitment as well as terms and conditions of employment for trainee accountants within the provisions of applicable legislation.
- 13.2. Failure by a trainee accountant or a training officer to comply with the provisions of the employment contract may constitute improper conduct and will lead to an investigation by SAICA upon receipt of a complaint.
- 13.3. The training office may not include as part of the conditions of employment, the requirement that the QE be passed as a prerequisite for a trainee accountant to continue with his training contract.
- 13.4. In the event of a conflict arising from the terms and conditions of the training contract and the terms and conditions of the employment contract, the terms and conditions of the training contract and the provisions of these Regulations will prevail.
- 13.5. SAICA has no jurisdiction in resolving disputes emanating from the employment contracts and does not become involved in the contractual relationship created by an employment contract. SAICA therefore does not prescribe salaries, study or any other type of leave or other terms and conditions of employment for trainee accountants and its guidelines on such matters, as may be issued from time to time, are not prescriptive.

14. TRAINEE EXIT QUESTIONNAIRE

A trainee whose training contract is cancelled or discharged must complete a SAICA trainee exit questionnaire.

15. ENTRY REQUIREMENTS FOR A TRAINING CONTRACT

- 15.1. The entry requirements for a CA(SA) training contract are –
- 15.1.1. confirmation by the trainee accountant that he has entered into an employment contract with the training office; and
- 15.1.2. written evidence, in the form of a photocopy of a certificate, or an admission letter on the university letterhead, to the satisfaction of the training officer, that the trainee accountant –
- 15.1.2.1. is the holder of a CTA or equivalent; or
- 15.1.2.2. is a graduate registered for a CTA or equivalent; or
- 15.1.2.3. is registered for a degree accredited by SAICA.
- 15.2. Where written evidence relating to a trainee's enrolment cannot be provided, the trainee must undertake in writing that he will be accepted for registration by an accredited education institution at the commencement of the next academic year and the trainee must provide the training officer with proof of enrolment as soon as possible thereafter.

16. PROBATIONARY PERIOD

- 16.1. A basic probationary period of up to a maximum of six months, commencing on the date of employment in the capacity as a trainee accountant, is permissible, and may be stipulated in the employment contract.
- 16.2. A training office may not specify a probationary period for a trainee accountant that is not in accordance with Regulation 16.1.
- 16.3. Where, after expiry of the probationary period, the trainee enters into a training contract with the training office where the probationary period was served, such probationary period forms part of the term of the training contract. **However, the trainee's training contract is only effective once it has been registered with SAICA.**
- ~~[Where, after expiry of the probationary period, the trainee does not enter into a training contract with the training office where the probationary period was served, such probationary period is not recognised towards the term of a SAICA training contract.]~~
- 16.4. When a person is employed in a capacity other than as a trainee accountant, and he subsequently becomes employed as a trainee accountant, the probationary period, if any, commences on the **date on which the person becomes employed as a trainee accountant.**

17. TERM AND HOURS OF A TRAINING CONTRACT

- 17.1. The basic term of a training contract, and the required minimum hours of work attendance and minimum hours of core experience, at commencement of the training contract for a person intending to become a CA(SA) are as follows:

Qualification at the start of the training contract		Basic term of the training contract	Required minimum hours of work attendance	Required minimum hours of core experience
17.1.1.	<ul style="list-style-type: none"> • CTA or equivalent • Accredited BCom degree • Accredited bridging programme 	36 months	4 500	3 600
17.1.2.	<ul style="list-style-type: none"> • Non-accredited BCom degree • B Tech degree • Non-relevant degree 	48 months. A remission of 12 months is granted if the trainee achieves the CTA or equivalent or an accredited B Com degree or an accredited bridging programme	6 000	4 800
17.1.3.	<ul style="list-style-type: none"> • National Diploma in Internal Auditing, Cost and Management Accounting or Taxation • National Higher Diploma in Internal Auditing, Cost and Management Accounting or Taxation 	48 months	6 000	4800
17.1.4.	<ul style="list-style-type: none"> • Matriculation certificate or equivalent • Any other educational qualification not listed above 	60 months. A remission of 12 months is granted if the trainee achieves an accredited BCom degree or CTA	7 500	6 000

17.2. Temporary periods of employment, including vacation work, are not **automatically** recognised towards the fulfilment of the term of a training contract.

18. REGISTRATION AND LODGEMENT OF A TRAINING CONTRACT

18.1. A training officer and a prospective trainee accountant must apply for the registration of a training contract in the prescribed manner and the training officer must pay the applicable fees and the trainee must submit the supporting documents prescribed by SAICA.

18.2. The training contract and the application to register the training contract must be lodged with SAICA for registration within seven months calculated from the effective start date of the training contract.

19. REMISSION IN THE TERM OF A TRAINING CONTRACT

19.1. The training officer and the trainee must apply for remission in the term of a training contract in the prescribed manner, and they must include with the application the supporting documents prescribed by SAICA.

19.2. Remission may be applied for on the basis of academic achievement (academic remission) or RPL.

19.3. Academic remission may be sought on the basis of –

19.3.1. graduation in an accredited BCom degree or the CTA during the currency of a five-year training contract by a trainee accountant contemplated in Regulation 17.1.4 or

19.3.2. graduation in a CTA or equivalent or an accredited BCom degree or a bridging programme during the currency of a four-year training contract by a trainee accountant contemplated in Regulation 17.1.2.

19.4. Where remission is sought in terms of Regulation 19.3.1, the term of the training contract will be reduced as follows:

19.4.1. If the trainee completes the degree during the first 12 months of the training contract, the training contract expires 36 months from the date on which the trainee completed the degree;

- 19.4.2. If the trainee completes the degree during the last 12 months of the training contract, the remission constitutes the remaining balance of the term of the contract;
- 19.4.3. If the trainee completes the degree at any other point in the training contract, the term of the training contract is reduced by 12 months.
- 19.5. Where remission is sought in terms of Regulation 19.3.2, the term of the training contract will be reduced by 12 months.
- 19.6. For purposes of Regulations 19.4 and 19.5, SAICA will consider the date of the completion of a degree to be the closer of 30 June or 31 December of any year to the date on which the trainee wrote the final paper to achieve the qualification.
- 19.7. Remission sought in terms of Regulation 19.3 may only be granted once under the same training contract.
- 19.8. Remission for RPL may be sought on the basis of –
- 19.8.1. previous relevant experience gained under a SAICA training contract, or
- 19.8.2. previous relevant experience not gained under a SAICA training contract **(Also refer to Annexure 5)**.
- 19.9. In the case of the remission for RPL, the training officer and the trainee must submit the application for remission within 12 months of the effective start date of the training contract.
- 19.10. Where remission is sought in terms of Regulation 19.8.1, the training officer may, based on the assessment of the trainee accountant by the training officer, reduce the term of the contract by a period not exceeding the time served by the trainee accountant under the previous SAICA training contract.
- 19.11. Where remission is sought in terms Regulation 19.8.2, the training officer may, based on the assessment of the trainee accountant by the training officer, reduce the term of the contract by a period not exceeding 12 months.
- 19.12. In every instance, the remission in the term of a training contract will be calculated by subtracting the approved remitted time from the end date of the new registered training contract.

20. SECONDMENT OF A TRAINEE ACCOUNTANT

- 20.1. During the period of secondment, the trainee must be involved in work that is relevant to the practical training requirements as determined by TRECO;
- 20.2. The trainee must remain a permanent employee of the training office and the original training contract must remain in force;
- 20.3. The training officer must remain responsible for the trainee accountant, regardless of whether or not the trainee reports to the training officer during the period of the secondment;
- 20.4. The regulations relating to secondments will not apply to the academic traineeship programme; and
- 20.5. The maximum period allowable for secondment is set out in Regulations 20.5.1 and 20.5.2 and it is the duty of the training officer and the trainee accountant to ensure that the trainee accountant does not exceed the secondment periods laid down:

	Place of secondment	Three-year training contract	Four-year training contract	Five-year training contract
20.5.1.	<ul style="list-style-type: none"> • To another training office in South Africa or • To a South African work environment which is not a training office 	Unlimited	Unlimited	Unlimited
20.5.2.	To a branch of a training office outside the borders of South Africa	180 calendar days	240 calendar days	300 calendar days

21. SUSPENSION OF A TRAINING CONTRACT

- 21.1. The training officer and the trainee must apply for the suspension of a training contract in the prescribed manner, and they must include with the application the supporting documents prescribed by SAICA.
- 21.2. The training officer and the trainee must lodge the application for suspension 30 days before the commencement of the suspension and inform SAICA of the trainee's return from suspension within 30 days of the trainee's return to the training office.
- 21.3. The permissible grounds for the suspension of a training contract are –
- 21.3.1. full-time study for a period of more than two months but no more than **a total of 12 months over the total term of the contract** towards the achievement of an accredited degree, an accredited bridging programme or a CTA, ~~[provided that a suspension on the grounds of full-time study has not been granted previously under the same training contract];~~ or
- 21.3.2. maternity leave for a period ~~[not less than the minimum]~~ **in accordance with** ~~[provided for in]~~ labour legislation. **(Explanatory Note: A trainee and a training officer may agree that the trainee may take less maternity leave than the period provided for in labour legislation. However, this agreement is not enforceable and the trainee may choose to extend her maternity leave to the period provided for in labour legislation).**
- 21.4. Both the trainee and the training office must agree to the suspension of the training contract.
- 21.5. By agreeing to suspend a training contract, the training officer acknowledges the training office's obligation to re-engage the trainee accountant when the period of suspension expires, and the trainee accountant acknowledges his obligation to return to the training office when the period of suspension expires.
- 21.6. Immediately upon a trainee accountant's return to the training office after an approved suspension of a training contract, the training officer must notify SAICA in the prescribed manner of the exact period that the trainee accountant was absent from the training office and the term of the training contract is automatically extended accordingly.
- 21.7. **During the period of the suspension of the trainee's contract, the trainee remains subject to all the provisions of these regulations, including the academic progress rule (regulation 22.2).**
- 21.8. SAICA does not record suspensions for periods of absence of two months or less in total over the entire term of the training contract and applications for suspension in respect of such periods of absence are not required.

22 CANCELLATION OF A TRAINING CONTRACT

Cancellations that attract a cancellation penalty

General cancellation

- 22.1 The training officer must cancel the trainee's contract immediately if the trainee –
- 22.2 is no longer studying for a course that will eventually lead to a CTA or equivalent. This includes circumstances where a trainee accountant is unable to gain admission in the next academic year to continue to study for an accredited degree, an accredited bridging programme or a CTA, or where a trainee fails to sit for an examination or any examination paper without a reasonable explanation, acceptable to the training officer;
- 22.3 does not provide the prescribed proof of enrolment within ten months of the effective date of the training contract, in the case of a contract that is registered in terms of Regulation 15.2;
- 22.4 fails to return to the training office after a period of approved suspension of the training contract;
- 22.5 is absent from the training office in spite of SAICA's decision not to grant an application for the suspension of the training contract;
- 22.6 has absconded;

22.7 has been dismissed; or

22.8 has been incapacitated.

Cancellation on the basis of insufficient academic progress

22.9 The academic progress rule: Should the trainee make insufficient academic progress, as defined in Regulation 3, in a course that will eventually lead to the achievement of a CTA or equivalent, the training officer must, within 30 days of receiving the trainee accountant's results, issue a written notification to the trainee accountant. The notification must inform the trainee that, should he fail the academic year again in the following year of his training contract, Regulation 22.3 will be applied. The notification must also outline the options under Regulation 22.3 and be signed by the training officer and the trainee. Failure by the training officer to issue the notification does not negate any of the provisions of this section of the Regulations **(Also refer to Annexures 8 and 9)**.

22.10 If the trainee accountant fails an academic year for the second time, the training officer must either –

22.10.1 cancel the training contract; OR

22.10.2 extend the training contract by six months; OR

22.10.3 allow the trainee to continue under training contract for one further academic year (a discretionary year). However, should the trainee still be in contravention of the academic progress rule at the end of the discretionary year, the training officer must cancel the training contract, provided that such cancellation does not take place within six months from the end of the training contract, in which case the training contract may be discharged, subject to Regulation 24.

22.11 The training officer must inform the trainee in writing of which option outlined in Regulation 22.3 has been applied, as well as the reasons for its application.

Disciplinary cancellation (also refer to Regulation 30)

22.12 SAICA may cancel or instruct the cancellation of a training contract if –

22.12.1 the trainee accountant has been found guilty of improper conduct in terms of SAICA's By-laws;

22.12.2 the trainee accountant is found to have contravened the Training Regulations or breached the provisions of the training contract;

22.12.3 in the opinion of TRECO, the trainee accountant is disqualified from registration as a CA(SA), despite meeting the other registration requirements; or

22.12.4 the trainee and the training officer fail to provide discharge documents within six months after the end date of the training contract.

Entering into a new training contract following the cancellation of a previous contract

22.13 Should a trainee wish to continue with his training after his training contract has been cancelled on the grounds contemplated in Regulations 22.1, 22.2 and 22.5 –

22.13.1 a new training contract must be entered into and lodged with SAICA in terms of Regulation 18; and

22.13.2 the trainee accountant may apply for RPL in terms of Regulation 19.8, but the following automatic penalties will be imposed on the term of a new training contract, following the cancellation of the previous one:

	Term of the previous training contract	Automatic penalty
a)	Three years	Six months
b)	Four years	Eight months
c)	Five years	Ten months

Cancellations that do not attract a cancellation penalty

- 22.14. Notwithstanding the provisions of Regulation 26.2, the penalty on cancellation of a training contract is not imposed in circumstances where the contract is cancelled for the following reasons:
- 22.14.1. Relocation by the trainee to a place from which he cannot commute to the existing training office. **SAICA has the sole discretion to determine what circumstances constitute relocation. The relocation must arise from circumstances beyond the control of the trainee, and must not result from the voluntary move by the trainee from one training office to another;**
- 22.14.2. Transfer of a trainee between branch offices of an accredited training office;
- 22.14.3. **The merger or de-merger of training offices;**
- 22.14.4. De-accreditation of the training office by TRECO;
- 22.14.5. The training office has ceased to exist;
- 22.14.6. Retrenchment of the trainee accountant or
- 22.14.7. If the trainee is deceased

Administration of cancellations

- 22.15. The training officer, and where appropriate the trainee, must notify SAICA of the cancellation of the training contract in the prescribed manner, and must include the supporting documents prescribed by SAICA.
- 22.16. The notification of cancellation must be lodged within 30 days after the trainee's departure from the training office.
- 22.17. SAICA may investigate all the circumstances relating to a cancellation, and the cancellation of a training contract will only become effective once SAICA has confirmed the cancellation.
- 22.18. Termination of an employment contract automatically leads to the cancellation of a training contract, but the converse does not necessarily have the same effect.

23. EXTENSION OF A TRAINING CONTRACT

- 23.1. The training officer must apply for the extension of the training contract to a maximum of six months if –
 - 23.1.1. the trainee accountant will not have completed the prescribed minimum core experience and/or work attendance hours by the registered end date of his training contract; and/or
 - 23.1.2. the trainee accountant will not have achieved competence in all the prescribed compulsory, elective and residual competencies by the registered end date of his training contract.
- 23.2. In the case of an extension referred to in Regulation 23.1.2 if, at the end of the period of extension, the trainee has not yet achieved the prescribed competencies, the training officer may –
 - 23.2.1. extend the trainee's contract for a further six months, or
 - 23.2.2. cancel the trainee's training contract.
- 23.3. If, by the end of the second extended period of the training contract, the trainee has not achieved competence in all the prescribed competencies, the training contract must be cancelled.
- 23.4. Should the trainee fail to initiate two successive assessment forms within the prescribed time frames, the training officer may extend the training contract by a maximum of six months.
- 23.5. The training officer must notify SAICA of the extension of the training contract in the prescribed manner **and within 30 days from the end date of the training contract.**
- 23.6. TRECO may investigate the reasons for an extension and may, where appropriate, require additional information from the training officer

23.7. TRECO may reverse the extension if in its opinion the training officer's reasons do not justify such extension and reverse the extension.

24. DISCHARGE OF A TRAINING CONTRACT

Regulations applicable to training contracts entered into BEFORE 1 January 2010

- 24.1. The training officer and the trainee must initiate the discharge of a training contract in the prescribed manner if the trainee accountant has –
- 24.1.1. completed the prescribed minimum hours of work attendance;
 - 24.1.2. completed the prescribed minimum hours of core experience;
 - 24.1.3. completed the term of the contract, including approved remissions and extensions; and
 - 24.1.4. achieved the technical and professional competencies prescribed by SAICA in respect of either the TIPP or TOPP programmes.
- 24.2. A trainee accountant who wishes to register as an RA with the IRBA must achieve the competencies prescribed for the TIPP Programme.

Regulations applicable to training contracts entered into AFTER 1 January 2010 or converted to the CA Training Programme

- 24.3. The training officer and the trainee must initiate the discharge of a training contract in the prescribed manner if he is satisfied that the trainee accountant has –
- 24.3.1. completed the prescribed minimum hours of work attendance;
 - 24.3.2. completed the prescribed minimum hours of core experience;
 - 24.3.3. completed the term of the contract, including approved remissions and extensions;
 - 24.3.4. achieved the following competencies prescribed by SAICA:
 - 24.3.4.1. the compulsory skills areas;
 - 24.3.4.2. at least one, but no more than three, elective skill areas; and
 - 24.3.4.3. the residual skills areas.
- 24.4. A trainee accountant who wishes to register as an RA with the IRBA must achieve the competencies prescribed for the Auditing and Assurance elective of the training programme.

Regulations applicable to training contracts entered into BEFORE 1 January 2010 and to training contracts entered into AFTER 1 January 2010

- 24.5. The training officer and the trainee must request that the training contract be discharged within 30 days of the completion of the training contract.
- 24.6. If the trainee is in possession of an accredited degree, SAICA will, upon receipt of the Certificate of Completion from the training officer, discharge the training contract and issue a Confirmation of Discharge.
- 24.7. Notwithstanding the receipt of the Certificate of Completion from the training officer, if the trainee is not in possession of an accredited degree, SAICA will not discharge the training contract nor issue a Confirmation of Discharge. Instead, the trainee's contract will be deemed to have been completed **but not yet discharged**.
- 24.8. If all the requirements for the discharge of a training contract have been met, SAICA will provide the trainee accountant with a Confirmation of Discharge and the training officer with confirmation that the discharge has been registered.

- 24.9. Should the training contract be discharged more than five years after the date on which the term of the training contract was completed, the training officer will only upon request be provided with a confirmation that the discharge has been registered.
- 24.10. SAICA does not discharge the training contract until the trainee has submitted the trainee exit questionnaire contemplated in Regulation 14.

25. EXEMPTION FROM TRAINING UNDER A TRAINING CONTRACT

Application for exemption from training under a training contract must be made in writing to TRECO and TRECO may grant or refuse such an application in its sole and absolute discretion.

26. FAILURE TO ACHIEVE COMPETENCE

- 26.1. A trainee must gain experience and achieve competence in all the prescribed competencies, and must achieve the minimum core experience hours and work attendance hours as prescribed by SAICA from time to time.
- 26.2. If the trainee will not have achieved all the prescribed competencies, minimum core experience hours or work attendance hours by the end of the training contract, the training officer must issue a written notification to the trainee accountant, no later than five months before the end of the training contract, that his training contract is likely not to be discharged.
- 26.3. The written notification –
 - 26.3.1. must list the competencies in which the trainee has not yet achieved competence ;
 - 26.3.2. outline a developmental plan to enable the trainee to achieve the required competence, core experience hours or work attendance hours by the end of the training contract;
 - 26.3.3. inform the trainee that, notwithstanding the completion of the developmental plan as outlined in the notification, failure to achieve the prescribed competencies, minimum core experience hours or work attendance hours may nevertheless result in the extension or the cancellation of the training contract at the end of the training contract; and
 - 26.3.4. must be signed by the training officer and the trainee accountant.
- 26.4. If, by the end of the training contract, the trainee has still not achieved the competencies, minimum core experience hours or work attendance hours as prescribed by SAICA, the training officer must –
 - 26.4.1. cancel the training contract; OR
 - 26.4.2. extend the training contract (also see Regulation 23.1).
- 26.5. If, by the end of the extended period of the training contract, the trainee has not achieved competence in all the prescribed competencies, the training contract must be cancelled.

27. ASSESSMENT OF A TRAINEE'S COMPETENCE

- 27.1. Both the training officer and the trainee must participate in and comply with the assessment process as prescribed by SAICA from time to time in the official SAICA Assessment Policies and the SAICA Assessment Forms.
- 27.2. The trainee must initiate the assessment forms and submit them for further review and completion.
- 27.3. The training officer must –
 - 27.3.1. keep a record of a trainee accountant's practical training experience, including time records, and the completed assessment forms for a period of three years after the discharge of a training contract or from the date that the trainee accountant left the training office; and
 - 27.3.2. at the end of the training contract, initiate, complete and submit to SAICA the certificate of completion and/or the final assessment/training record in terms of Regulation 24.
- 27.4. Failure by the trainee to initiate two successive assessment forms within the prescribed time frames may lead to the extension of the training contract by a maximum of six months.
- 27.5. Failure by the training office to comply with the assessment process as ~~complete the~~ prescribed by SAICA ~~[assessment forms within the prescribed time frames]~~ may lead to disciplinary action, including but not limited to, the de-accreditation of the training office.

28. CONFIRMATIONS, VALIDATIONS AND CERTIFICATES

- 28.1. SAICA will validate the following matters by providing written confirmation to the training officer, and where applicable, the trainee accountant, of –
 - 28.1.1. accreditation as a training office;
 - 28.1.2. registration as a training officer;
 - 28.1.3. registration of a change of training officer;
 - 28.1.4. registration of a training contract;
 - 28.1.5. exemption from training under a training contract; and
 - 28.1.6. discharge of a training contract.
- 28.2. SAICA will also issue the following certificates, as appropriate:
 - 28.2.1. Certificate of accreditation as a training office; and
 - 28.2.2. Certificate of registration as a registered assessor.

29. DISPUTES AND APPEALS

- 29.1. Should a trainee and his training officer be unable to resolve a dispute on a matter relating to the training contract, either party may refer the dispute to SAICA for arbitration.
- 29.2. The decision of the arbitrator will be final and binding on both parties, therefore no party can appeal this decision.
- 29.3. The arbitration process is explained in detail in Annexure 4.
- 29.4. SAICA requires that the aggrieved party to a training contract first seeks satisfaction by approaching the other party regarding his complaint, before declaring a dispute or referring the matter to SAICA for arbitration.
- 29.5. Each party to the dispute will bear any travel and other costs relating to the attendance of the arbitration proceedings.
- 29.6. SAICA will under no circumstances arbitrate in disputes relating to the employment contract and such disputes must be referred to the Commission for Conciliation, Mediation and Arbitration or other relevant bodies.
- 29.7. SAICA will only be involved in a matter relating to an employment contract where the dispute has a direct bearing on the training contract/s, such as retrenchment.
- 29.8. Should a trainee feel aggrieved by the manner in which the Project Director: Training and/or the Training Regulations Officer at SAICA have applied/interpreted the Training Regulations, the trainee may refer the matter to the relevant Subcommittee of TRECO for an appeal.
- 29.9. The appeal to the relevant Subcommittee of TRECO is made by notifying the Project Director: Training and/or the Training Regulations Officer at SAICA of the intention to appeal their decision.
- 29.10. A decision made by the relevant Subcommittee of TRECO may also be appealed to TRECO.
- 29.11. The decision made by TRECO is final and binding.

30. DISCIPLINARY PROCESS

- 30.1. The Disciplinary Rules contained in SAICA's Constitution, By-laws and Code of Professional Conduct apply to trainee accountants and training officers.
- 30.2. A training officer must bring to SAICA's notice any circumstances that may constitute improper conduct on the part of a trainee accountant, and vice versa, in accordance with the procedures prescribed in Annexure 3.
- 30.3. Depending on the nature of the alleged misconduct, a complaint may be referred to any of the following committees for a decision:
 - 30.3.1. TRECO's Professional Conduct Committee; or
 - 30.3.2. SAICA's Professional Conduct Committee (see the By-laws); or
 - 30.3.3. SAICA's Disciplinary Committee (see the By-laws); or
 - 30.3.4. The IRBA's Investigation Committee (see the IRBA Disciplinary Rules).
- 30.4. If a trainee or a former trainee is found guilty of improper conduct, the relevant committee must either –
 - 30.4.1. cancel an existing training contract;
 - 30.4.2. refuse the prospective trainee permission to register a new training contract;
 - 30.4.3. impose conditions in respect of an existing or new training contract;
 - 30.4.4. extend the term of a training contract;
 - 30.4.5. refuse to recognise all or part of the previous training record/experience; and/or
 - 30.4.6. reprimand and/or caution the trainee accountant.
- 30.4.7. **If the complaint relates to an allegation of improper conduct, a fit and proper hearing may be conducted to determine whether a trainee is fit and proper to either continue with an existing training contract or to register a new contract.**
- 30.5. Sanctions that may be imposed by the committees referred to in Regulation 30 are dealt with in the SAICA By-laws and the *Auditing Profession Act, 2005* (Act 32 of 2005).

31. REPEAL AND TRANSITIONAL ARRANGEMENTS

- 31.1. The Training Regulations, 2010, as amended, are hereby repealed.
- 31.2. Any matter requiring a decision that was submitted to SAICA before these Training Regulations came into effect, will be dealt with and finalised in terms of the Training Regulations, 2010 as amended, as if the Training Regulations, 2012, had not come into operation.
- 31.3. SAICA will consider the date indicated on each application as the effective date when determining which Training Regulations should be applied

32. SHORT TITLE, COMMENCEMENT AND AMENDMENTS

- 32.1. These Regulations, which are applicable to all current and new training contracts, will be known as the SAICA Training Regulations, 2013, and will come into operation on 1 January 2013, except where otherwise indicated.
- 32.2. Any amendments of or additions to the Regulations that may affect the training contract are deemed to have been incorporated in the training contract upon promulgation, notwithstanding that notice of such amendments or additions may not have been given to the parties.

ANNEXURE 1 ACCREDITED ACADEMIC QUALIFICATIONS

Refer to SAICA's website at www.saica.co.za for an up-to-date list of accredited academic qualifications.

ANNEXURE 2 ACCREDITATION CRITERIA

CATEGORY A – OPERATING COMPLIANCE

NO	CRITERIA
1	The training office must be an appropriate legal entity
2	The training office must be tax compliant
3	The training office must have a valid Employment Equity plan, where applicable
4	The training office must comply with Occupational Health and Safety Regulations
5	The training office must be a going concern
6	The training office must furnish proof of registration with the relevant SETA (e.g. FASSET), where applicable
7	The training office must comply with the Basic Conditions of Employment Act and the Labour Relations Act, as applicable

CATEGORY B – THE TRAINING ENVIRONMENT: The training office must have appropriate physical, human and financial resources and procedures to provide an environment conducive to quality training and experience

NO	CRITERIA
1	The premises of the training office must be professional in appearance
2	a. The training office must have formally documented policies setting out, inter alia, the following: (i) The responsibilities of the training officer and the trainee accountants; (ii) The responsibilities of staff members who supervise trainees; and (iii) The reporting lines of trainee accountants. b. The training office must formally communicate these policies to all trainee accountants
3	Each trainee must have a reasonable opportunity to achieve the prescribed competencies relating to IT
4	The training officer must be a CA(SA)
5	In the case of training offices offering Auditing and Assurance as an elective, the training officer must be registered with the IRBA as an RA. In the case of other electives, the training officer must be registered with the applicable regulators
6	The training officer must enjoy the full support of the executive management of the training office. There must accordingly be direct reporting lines between the training officer and executive management
7	The training officer must, on behalf of the training office, accept responsibility for all the trainee accountants
8	Each trainee must be appropriately supervised
9	The training programme must be effectively and efficiently administered
10	Adequate funds must be allocated to the training programme
11	The trainee, training officer and training office administrator must have a working knowledge of the SAICA Training Regulations and trainees must have access to the Training Regulations.

CATEGORY C – THE TRAINING EXPERIENCE AND DEVELOPMENT PROGRAMME: The training office must offer a combination of the full spectrum of accountancy work, so that trainees can obtain training and experience relating to the prescribed competencies

NO	CRITERIA
1	Each trainee must receive a formal induction programme within six months after the start date of the training contract
2	Each trainee must be given a reasonable opportunity to gain the prescribed competencies
3	Each trainee must have a reasonable opportunity to achieve the prescribed core experience and work attendance hours over the term of the training contract
4	Practical, on-the-job experience must constitute the most significant portion of the trainee's learning experience.
5	Simulations related to the prescribed competencies must include an assessment of the trainee's competence in the competencies covered in the simulation
6	The trainee must be encouraged to develop an awareness of the importance of life-long learning

CATEGORY D – COMPETENCE ASSESSMENT: The training office must have procedures in place to ensure regular monitoring of trainees' practical experience, including procedures to ensure effective, regular and constructive assessment of each trainee's competence

NO	CRITERIA
1	The training officer must ensure that the assessment process, as prescribed by SAICA, takes place
2	The training officer must take steps to ensure that trainees, evaluators, reviewers and assessors understand – (i) the assessment process and document; (ii) the prescribed competencies and tasks ; and (iii) the assessment appeals process.
3	The training officer must evaluate the effectiveness and fairness of reviewers, evaluators and assessors
4	The training office must have procedures in place to adjudicate in instances where trainees and reviewers , evaluators or assessors cannot reach agreement on a rating for an outcome
5	The training office must have an appropriate ratio of SAICA registered assessors to trainees (minimum of 1 assessor per 15 trainees)

ANNEXURE 3 COMPLAINTS PROCEDURE AND OTHER REFERRALS

Name of complainant	Format for detailing the complaint	SAICA's role
Training officer OR Trainee accountant	<ol style="list-style-type: none"> 1. The complaint must be in writing 2. The complaint must contain the following information: <ul style="list-style-type: none"> • Name of complainant • Name of respondent/other party • Name of training office • Details of the complaint, together with any relevant supporting documents 	<ol style="list-style-type: none"> 1. Upon receipt of the complaint, the Secretariat will acknowledge receipt 2. The complaint will then be forwarded to the respondent or the other party, for his response 3. If the Secretariat considers that there may be substance to the complaint, the respondent's response together with the complaint will be submitted to the relevant committee for a decision 4. In certain instances the respondent may be required to appear before the relevant committee to respond to the allegations against him/her 5. The training officer and the trainee accountant will be informed <u>in writing</u> of the decision that has been taken

ANNEXURE 4 ARBITRATION PROCESS IN THE EVENT OF A DISPUTE ABOUT A TRAINING CONTRACT

SAICA will inform the parties at least ten working days in advance of the date of the arbitration meeting.

1. Format of the arbitration meeting

- 1.1. Both parties, that is, the training officer and the trainee, present their opening statements.
- 1.2. The training officer leads evidence and calls witnesses if necessary.
- 1.3. The trainee accountant cross-examines the training officer and the witnesses.
- 1.4. The training officer re-examines witnesses.
- 1.5. The trainee presents his/her case, leads evidence and calls witnesses, if necessary.
- 1.6. The training officer cross-examines the trainee and the witnesses.
- 1.7. The trainee re-examines the witnesses.
- 1.8. The Chairperson asks questions of clarity to both parties.
- 1.9. The Chairperson makes a ruling that is binding on both parties.

2. Rules governing the proceedings

- 2.1.1. No party is allowed legal representation at the proceedings.
- 2.1.2. Documentary evidence is required (substantiated with sufficient proof). Examples include:
 - 2.1.2.1. Progress reviews/appraisals,
 - 2.1.2.2. Evaluations/assessments,
 - 2.1.2.3. Development plans, and
 - 2.1.2.4. Targets/standards attained, etc.
- 2.1.3. The same witness may be called by both parties.
- 2.1.4. A witness may only be present at the hearing when giving evidence.
- 2.1.5. The proceedings will be in English and SAICA may provide an interpreter if informed in advance.
- 2.1.6. The proceedings will be minuted (not verbatim).

3. General information

- 3.1. Parties need to be well prepared for the hearing.
- 3.2. Parties need to bring admissible evidence to support their case.
- 3.3. Sufficient copies of documentation need to be available for all parties.
- 3.4. The duration of the arbitration proceedings may take four hours or more.

ANNEXURE 5 RECOGNITION OF PRIOR LEARNING POLICY

1. Definition

The Recognition of Prior Learning (RPL) is a mechanism for the recognition of the achievement of one or more of the competencies prescribed by SAICA, however obtained. In terms of RPL a trainee need not undertake any further learning intervention in respect of the relevant competency or competencies.

2. Objective

RPL is a stepping stone to the further development of a trainee accountant and is intended to confer a benefit to the trainee accountant in the form of a remission in the term of his training contract.

3. Legislative context

- 3.1. RPL is a national system and a key principle of the National Qualifications Framework created in terms of the *South African Qualifications Authority Act, 1995 (Act 58 of 1995)*.
- 3.2. SAICA, as an Education and Training Quality Assurance body, is required to facilitate the implementation of RPL in order to open up access and entry into the accountancy profession and thereby contribute to redressing past imbalances in accountancy education and training.
- 3.3. The principles of the SAICA RPL policy are –
 - 3.3.1. compliance with the objectives of the National Qualifications Framework and the South African Qualifications Authority guidelines and criteria on assessment;
 - 3.3.2. international comparability;
 - 3.3.3. a consistent approach to the granting of credit;
 - 3.3.4. allowing access to all individuals regardless of gender, race or disability; and
 - 3.3.5. providing RPL credentialing once competence has been proven by means of an assessment process.

4. Applying for RPL

- 4.1. A prospective trainee accountant who wishes to apply for RPL must first enter into a training contract with a training office.
- 4.2. An RPL application must be made within 12 months after the trainee has entered into a training contract.
- 4.3. For RPL remission based on previous service under a SAICA registered training contract, SAICA may allow a remission of a maximum of the time served at the previous training office. A maximum of 12 months' remission may be granted for previous experience obtained outside of a SAICA training contract.
- 4.4. The training officer or another registered assessor must follow the assessment process prescribed in paragraph 5 below, and if he is satisfied that there are skills and/or competencies that the trainee accountant has already acquired, for which credit may be granted, the training officer and the trainee accountant must complete and submit an RPL application.

Process of assessment for purposes of RPL

- 4.5. The training officer or other registered assessor must assess the trainee accountant.
- 4.6. The trainee accountant must submit to the training officer either a portfolio of evidence of his previous work or any other relevant documentation in support of the application.
- 4.7. The training officer or other registered assessor must determine which competencies the trainee accountant has achieved, and compare them to the competencies prescribed by SAICA.
- 4.8. Credit may be granted in respect of any competency achieved by a trainee accountant that matches a competency prescribed by SAICA.
- 4.9. Based on the number of credits granted, the training officer must determine the length (in months) of remission to be granted, subject to paragraph 4.3 above.

5. TRECO's discretionary powers

TRECO reserves the right to investigate any RPL application submitted to SAICA and may in its sole and absolute discretion amend the RPL remission granted by the training officer.

ANNEXURE 6 RULES FOR THE ACADEMIC TRAINEESHIP PROGRAMME

1. The objectives of the academic traineeship programme (ATP)

- 1.1. To create an opportunity for intellectually gifted graduates to spend one year of their training contract in an academic working environment with a view to attracting them to an academic career in the longer term.
- 1.2. To relieve staffing shortages in accountancy units by appointing a limited number of trainee accountants as junior lecturers.

2. Eligibility

2.1. Accountancy Units

Eligibility is restricted to accountancy units–

- 2.1.1. that offer programmes that are accredited by the Initial Professional Development Committee (IPDC) and where no significant issues exist regarding specific accreditation criteria'; and
- 2.1.2. that are accredited by the IPDC to participate in the ATP.

2.2. Candidates

2.2.1. Candidates must –

- 2.2.1.1. be in possession of a CTA or equivalent;
- 2.2.1.2. have entered into a training contract, or be in possession of a written undertaking by an accredited training office that the candidate will enter into a training contract at the commencement of the academic traineeship;
- 2.2.1.3. be selected on the basis of their academic excellence; and
- 2.2.1.4. be recommended by the head of an eligible accountancy unit.

- 2.3. The IPD Committee may determine minimum academic and other requirements to be met by candidates who wish to participate in the ATP.

3. Application and registration procedures

- 3.1. After identifying a prospective candidate the head of the accountancy unit must, before offering the candidate an academic traineeship –
 - 3.1.1. make the rules of the ATP available to the prospective candidate and discuss with the candidate his selection for and participation in the programme;
 - 3.1.2. ensure that the candidate meets such academic and other requirements as determined by the IPD Committee;
 - 3.1.3. ensure that the candidate has entered into a training contract or is in possession of a written undertaking by an accredited training office that the candidate will enter into a training contract at the commencement of the academic traineeship; and
 - 3.1.4. liaise with the training officer of such training office to obtain the office's agreement to academic traineeship for the candidate.

- 3.2. Application for academic traineeship, suitably motivated, must be made on the prescribed form **before** commencement of academic traineeship AND BY NO LATER THAN 30 SEPTEMBER OF EACH YEAR.
- 3.3. The application, with the relevant supporting documents, must be submitted to SAICA by the head of the accountancy unit.
- 3.4. The head of the accountancy unit, the candidate academic trainee and the training officer must each give an undertaking to abide by the rules of the ATP.
- 3.5. Applications for academic traineeship will be considered for approval by the chairman of the IPD Committee.
- 3.6. SAICA will inform the head of the accountancy unit and the training officer whether or not the candidate has been accepted into the ATP.
- 3.7. After approval has been granted, the training officer must apply in the normal manner to register the training contract of the academic trainee accountant, if such training contract has not already been entered into.
- 3.8. The commencement date of the training contract will be determined by the head of the accountancy unit and will be as close as possible to the first day of the academic year in which academic traineeship is to be served.

4. Terms and conditions

- 4.1. An academic trainee accountant will, save for extensions following approved suspensions, serve a training contract of three years.
- 4.2. The first of the three years of the training contract will be completed in the accountancy unit and the second and third years will be served at the training office.
- 4.3. The accountancy unit may determine such other criteria for participation in the ATP as it deems fit.
- 4.4. During the first year of the training contract the academic trainee accountant will be an employee of the education institution.
- 4.5. During the first year of the training contract the academic trainee accountant must maintain contact with the training officer who, whenever practicable, and in consultation with the head of the accountancy unit, must arrange for the trainee's participation in training courses arranged by the training officer for first-year graduate trainee accountants.
- 4.6. For an academic trainee accountant the year completed in the accountancy unit will be deemed to be equivalent to one third of the required minimum hours of work attendance and the required minimum hours of core experience as required in terms of the Training Regulations.
- 4.7. The head of the accountancy unit will, every six months, provide SAICA and the training officer with a supervisor's report on the progress of the academic trainee accountant in the form prescribed by SAICA.
- 4.8. During the first year of an academic trainee's contract, the trainee will be subject to SAICA's Training Regulations in so far as they are applicable. Thereafter the regulations will be applicable in full.

5. Disqualification

- 5.1. All arrangements in terms of the ATP will lapse and all recognition by SAICA for time spent in an accountancy unit will be forfeited if the candidate fails to pass Part I of SAICA's QE in the first year of the training contract.

5.2. Notwithstanding the provisions of paragraph 5.1, in the case of an academic trainee who does not write Part I of the QE for a valid reason (e.g. illness or bereavement) the IPD Committee in its absolute discretion may allow such a trainee to continue with the year of academic traineeship at an accountancy unit and this time will be recognised on condition that the candidate passes Part I of the QE in the following year.

6. Accreditation criteria applicable to accountancy units that wish to participate in the academic traineeship programme

6.1. The ATP must be offered by an accountancy unit that offers a CTA or equivalent programme that is accredited by SAICA.

6.2. In order to be accredited by SAICA to participate in the ATP, an accountancy unit must provide evidence to the satisfaction of SAICA that it meets the following conditions:

6.2.1. The accountancy unit must provide SAICA with a programme that sets out the activities of the academic trainee for the duration of the academic year;

6.2.2. A suitably qualified, senior staff member must be tasked with assisting and supporting the academic trainee on a continuous basis;

6.2.3. During the ATP, the trainee must be exposed to the following activities:

6.2.3.1. Lecturing;

6.2.3.2. Tutorials;

6.2.3.3. Preparation of teaching material;

6.2.3.4. Setting and marking of assessments; and

6.2.3.5. Research.

6.2.4. The academic trainee must be subject to six-monthly performance evaluation procedures by the head of the accountancy unit.

ANNEXURE 7 DUTIES OF THE TRAINING OFFICER AND THE TRAINEE ACCOUNTANT

1. Duties of the training officer

- 1.1. To give the trainee accountant every reasonable opportunity to obtain sufficient exposure to the prescribed competencies, as defined by SAICA from time to time, to enable him to apply his knowledge in a variety of relevant situations;
- 1.2. To train the trainee accountant in the standards of professionalism and ethics, which are expected of chartered accountants and registered auditors;
- 1.3. The training officer must comply with his/her duties in terms of all applicable legislation, including
 - 1.3.1. The Basic Conditions of Employment (Act 75 of 1997)
 - 1.3.2. Any applicable determination made in terms of section 18(3) of the Skills Development Act (Act 97 of 1998)
 - 1.3.3. The Labour Relations Act (Act 66 of 1995)
 - 1.3.4. The Employment Equity Act (Act 55 of 1998)
 - 1.3.5. The Occupational Health and Safety Act (Act 85 of 1993), and
 - 1.3.6. The Compensation of Occupational Injuries and Diseases Act (Act 130 of 1993)
- 1.4. The training officer must provide the appropriate facilities to train the trainee accountant;
- 1.5. The training officer must provide the trainee accountant with adequate supervision;
- 1.6. The training officer must conduct on the job assessment, or cause it to be conducted;
- 1.7. The training officer must keep up to date records of training and periodically discuss the trainee accountant's progress with him/her;
- 1.8. The training officer must advise the trainee accountant of:
 - 1.8.1. the terms and conditions of his/her employment contract
 - 1.8.2. the training office policies and procedures
- 1.9. the training officer must apply the same disciplinary, grievance and dispute resolution procedures to the trainee accountant as to any other employee;
- 1.10. the trainee accountant must be employed in the office of the organisations firm that has been accredited by SAICA;
- 1.11. the training officer must fulfil the obligations imposed on him/her by SAICA, pertaining to the training of a trainee accountant;
- 1.12. the training office must bear the cost of fees payable to SAICA in terms of the training contract;
- 1.13. the training officer must inform SAICA in writing of circumstances where, in the opinion of the training officer the trainee accountant has conducted himself/herself in a manner that may constitute improper conduct as defined in the Regulations or in the disciplinary rules, code of conduct or by-laws prescribed by SAICA and IRBA from time to time;
- 1.14. the training officer must make available to SAICA all documents regarding the alleged improper conduct of the trainee accountant, including the record of any disciplinary procedures in the training office in which the trainee may have been involved.

2. Duties of the trainee accountant

- 2.1. To diligently serve the training office in the profession of a chartered accountant and registered auditor;
- 2.2. To diligently pursue his studies in the theory and practice of the profession of a chartered accountant and registered auditor and that he will notify the training officer immediately he/she ceases to be registered for a course that would lead to the eventual award of a Certificate in the Theory of Accountancy or equivalent;
- 2.3. During the currency of his training contract, to not engage in any other business or occupation without the express written authority of the training officer;
- 2.4. To at all times keep the affairs of the training office and its clients confidential and not breach any codes of professional conduct, disciplinary rules or by-laws that apply to the profession of a chartered accountant and, if applicable, a registered auditor;
- 2.5. To comply with any training office policies and procedures;
- 2.6. To complete any timesheets and/or other assessment forms supplied by the training officer to record training experience;
- 2.7. To agree that the training officer will be entitled, and is authorised to, disclose to SAICA any circumstances which in the opinion of the training officer may constitute improper conduct on the part of the trainee accountant. To further agree to the training officer making available to SAICA all information regarding disciplinary procedures in the training office in which the trainee may have been involved, including the record of those procedures; and
- 2.8. Prior to leaving the training office and within 30 days after completion of the duration of the training contract, to apply for the training contract to be discharged.

ANNEXURE 8 GUIDELINE FOR THE APPLICATION OF THE ACADEMIC PROGRESS RULE

1. INTRODUCTION

- 1.1. The training office serves as the practical training ground for prospective CAs. Many of these prospective CAs are still completing their studies while working for the training office. Not passing these examinations creates several problems for both the trainee accountant and the training office, such as the following:
- 1.2. It limits the degree of responsibility that a trainee accountant can assume during his training contract.
- 1.3. Trainee accountants cannot become CAs(SA) if they do not pass their examinations and obtain the required qualifications.
- 1.4. Providing time off for trainee accountants to study for and write tests and examinations is costly for the training office.
- 1.5. Trainee accountants are not able to focus fully on the development of their practical competencies if they also have to also study for and pass examinations.
- 1.6. Trainee accountants are therefore expected to demonstrate a commitment to their studies through the achievement of sufficient academic progress, in the form of adhering to the academic progress rule.
- 1.7. These guidelines are issued to assist training officers in determining what constitutes "sufficient academic progress" and to provide guidance on procedures that should be followed where sufficient academic progress is not achieved.
- 1.8. Regulation 22.2 of the Training Regulations contains the following statements pertaining to the cancellation of a training contact on the basis of insufficient academic progress:

Should the trainee make insufficient academic progress in a course that will eventually lead to the achievement of the CTA or equivalent, the training officer must within 30 days of receiving the trainee accountant's results, issue a written notification to the trainee accountant. The notification must inform the trainee that, should he fail the academic year again in the following year of his training contract, Regulation 22.2 will be applied. The notification must also outline the options under Regulation 22.2.2 and be signed by the training officer and the trainee. Failure by the training officer to issue the notification does not negate any of the provisions of this section of the Regulations.

*If the trainee accountant fails an academic year for second time, the training officer must either –
cancel the training contract; OR*

extend the training contract by six months; OR

allow the trainee to continue under training contract for one further academic year (a discretionary year). However, should the trainee still be in contravention of the academic progress rule at the end of the discretionary year, the training officer must cancel the training contract, provided that such cancellation does not take place within six months from the end of the training contract, in which case the training contract may be discharged, subject to Regulation 24.

The training officer must inform the trainee in writing of which option outlined in Regulation 22.2.2 has been applied, as well as the reasons for its application.

2. DEFINITION OF ACADEMIC PROGRESS

- 2.1. Academic progress is defined in Regulation 3 as "the satisfactory completion of all or sufficient subjects to enable a trainee to make one further year of progress towards the completion of the CTA or equivalent (the trainee must thus progress one year closer to writing Part I of the QE). The trainee must achieve at least one year of academic progress during any two calendar years. This progress is measured by passing of the examinations of the accredited education institution".
- 2.2. The QEs and professional practice examination are specifically excluded from this definition.

- 2.3. Academic progress is measured by a trainee's passing of the examination(s) of the education institution for which he is currently registered, and cannot be achieved merely by transferring to another education institution.

PRACTICAL APPLICATION OF THE RULE

3. Undergraduate level (five-year training contract)

- 3.1. Trainee accountants studying at an undergraduate level are often unable to complete the equivalent of a full academic year during one calendar year and will therefore generally not make sufficient academic progress after one year. They, in most cases require at least two years to make sufficient academic progress.
- 3.2. Assuming that the trainee accountant registers with an education institution for first-year modules during the first year of his training contract, this trainee must, as a minimum, achieve the following in order to comply with the academic progress rule:
- 3.3. At the end of the *second year* of his contract, he must have passed ALL his first-year modules as prescribed by the relevant university. If he fails to meet this requirement, he will have made insufficient academic progress and the training officer will need to consider his options in terms of regulation 22.2.2. These options include:
- 3.3.1. Cancelling the trainee's contract; OR
- 3.3.2. Extending the contract by six months; OR
- 3.3.3. Allowing the trainee to continue with the third year of his training contract (a "discretionary year") during which he will attempt to pass any remaining first-year modules. Should the trainee not have passed all his first-year modules at the end of the discretionary year, the training officer **MUST** cancel the training contract (there is no option to extend the contract further at this point).
- 3.4. At the end of the fourth year of the trainee's contract, he must have passed ALL his second-year modules. (This means that if a trainee had completed his first academic year during the discretionary year, he **must** pass ALL his second-year courses during the fifth year of his contract). If he fails to meet this requirement, the training officer again has the three options:
- 3.4.1. Cancelling the trainee's contract; OR
- 3.4.2. Extending the contract by six months; OR
- 3.4.3. Allowing the trainee to continue with the fifth year of his training contract while completing the remainder of his second-year modules. Should the trainee fail to pass these credits by the end of the discretionary year, the training officer **MUST** cancel the contract provided that such cancellation does not take place within six months from the end of the training contract. If the latter is the case, the training contract may be discharged, subject to Regulation 24.

4. Post-graduate level (four and three-year training contracts)

4.1. UNISA CTA Level 1 students

4.1.1. Trainees in possession of a SAICA accredited undergraduate degree (e.g. BCompt); not older than 3 years.

These trainees will have had to register for all five modules, and will have to have passed all these modules in one sitting after two years (two successive attempts) in order to meet the academic progress requirement.

4.1.2. Trainees who were registered for the Postgraduate Diploma in Accounting Sciences (DIPAC) at UNISA in 2011 and did not pass all four modules

These trainees will have had to register for all five modules will have to have passed all these modules in one sitting after two years (two successive attempts) in order to meet the academic progress requirement

4.1.3. As a transitional measure in 2012, UNISA allowed trainees who had previously failed the DIPAC to enter the CTA Level 1. This cannot be construed as constituting academic progress, and should the trainee fail to gain access to CTA Level 2 in 2013, he will be in contravention of the academic progress rule.

5. UNISA CTA Level 2 students

These trainees will have had to register for all five modules, and will have to have passed all these modules in one sitting after two years (two successive attempts) in order to meet the academic progress requirement.

ANNEXURE 9 TEMPLATE FOR NOTIFICATION LETTER FOR CONTRAVENTION OF THE ACADEMIC PROGRESS RULE

Dear (trainee accountant name)

It has come to my attention that you were not successful in your most recent year-end examinations.

You are reminded that, in terms of SAICA's Training Regulations, you are required to make sufficient academic progress in order to remain registered under a training contract with (training office name).

Academic progress is defined by SAICA as *"the satisfactory completion of all or sufficient subjects to enable a trainee to make one further year of progress towards the completion of the CTA or equivalent (the trainee must thus progress one year closer to writing Part I of the QE). The trainee must achieve at least one year of academic progress during any two calendar years. This progress is measured by passing of the examinations of the accredited education institution"*.

This letter hereby serves as notification that, should you fail your examinations again, (training office name) will exercise its discretion and either

- cancel your training contract; or
- extend your training contract by six months; or
- allow you to continue under training contract for one further academic year (a discretionary year).

Training Officer Signature

Date

I hereby confirm that I have read and understood the contents of this letter and have no objections thereto.

Trainee Accountant Signature

Date

ANNEXURE 10 TEMPLATE FOR NOTIFICATION LETTER FOR CANCELLATION FOR FAILURE TO ACHIEVE COMPETENCE

Dear (trainee accountant name)

This letter hereby serves as notification that, in terms of the assessments conducted on (date of assessment), you have not yet achieved competence in the competencies as indicated in your most recent Assessment Needs Analysis.

The attached development plan has been prepared in an effort to ensure you are given every reasonable opportunity to achieve the outstanding competencies. This development plan will/has been discussed with you in detail on (date of meeting).

Also note that in terms of Regulation 26 of the SAICA Training Regulations, failure to achieve competence in all the prescribed competencies by the end date of your training contract will result in either the cancellation or the extension of the training contract, at the discretion of the training officer.

Training Officer Signature

Date

I hereby confirm that I have read and understood the contents of this letter and have no objections thereto.

Trainee Accountant Signature

Date