



RekNUUS



Algemene nuusblad van die SKOOL VIR REKENINGKUNDE
General newsletter of the SCHOOL OF ACCOUNTANCY

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Uitstekende studenteprestasies in eksterne professionele eksamens

Die Skool vir Rekeningkunde is baie trots op die uitstekende prestasies van sy oudstudente in eksamens van professionele liggame. Die Skool is ook baie dankbaar teenoor al sy dosente wat 'n direkte of indirekte bydrae tot dié merkwaardige prestasie van die Skool se oudstudente gelewer het.

Suid-Afrikaanse Instituut vir Geoktrooieerde Rekenmeesters (SAIGR) se Aanvanklike Toets van Vaardigheid Eksamen – 2016

Die HonsBRek-studente van 2015 het die Aanvanklike Toets van Vaardigheid (*Initial Test of Competence (ITC)*) eksamen in Januarie vanjaar afgelê. 94% van die studente van die Skool wat die eksamen afgelê het, het geslaag, vergeleke met 'n landswye slaagkoers van 80%. Dit plaas die Skool vir Rekeningkunde in die eerste plek landswyd onder die SAIGR geakkrediteerde universiteite. Die Skool is ook verjeug dat Matthys Lourens die tiende plek landswyd behaal het.

Die gekombineerde slaagkoers van die 2015 HonsBRek-studente van die Skool wat in Januarie en Junie 2016 die Aanvanklike Toets van Vaardigheid Eksamen van die SAIGR afgelê het, was 98%.

Suid-Afrikaanse Instituut vir Geoktrooieerde Rekenmeesters (SAIGR) se Toets van Professionele Vaardigheid Eksamen – 2015

Die HonsBRek-studente wat in 2013 by die Skool vir Rekeningkunde afgestudeer het, het gedurende die tweede helfte van 2015 die Toets van Professionele Vaardigheid (*Assessment of Professional Competence (APC)*) eksamen van die SAIGR afgelê. Hierdie eksamen is die laaste van die twee professionele eksamens wat voornemende GRs moet skryf om te kwalifiseer.

95% van die Skool se oudstudente wat die eksamen afgelê het, het geslaag, teenoor 'n landswye eerste poging slaagsyfer van 88%. Dit plaas Skool vir Rekeningkunde in die tweede posisie landswyd onder die SAIGR-geakkrediteerde universiteite.

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Topdosente het passie vir hul vakgebied

Die Fakulteit Ekonomiese en Bestuurswetenskappe het sy topdosente by 'n glansgeleentheid op 7 Oktober 2016 in Stellenbosch vereer. Dit is die sesde jaar wat hierdie kompetisie, wat deur Die Burger geborg word, plaasvind. Wat vanjaar se kompetisie onderskei van vorige jare, is die feit dat daar hierdie jaar in elke departement van die Fakulteit, asook by die US Bestuurskool, 'n topdosent aangewys is. Verder kon alle voorgraadse- en honneursstudente hierdie jaar stem, terwyl net finalejaar- en honneursstudente in die verlede kon stem.

Volgens Prof. Stan du Plessis, dekaan van die Fakulteit, is die Fakulteit werklik geseën met uitstekende studente en dosente. "Met die vorm wat die kompetisie vanjaar aanneem, gee ons erkenning aan uitnemende onderrig in elke departement en skool in die Fakulteit. Dit bied egter steeds aan studente die geleentheid om die beste algehele dosent aan te wys. Die agt finaliste is elkeen

sterre in hul onderskeie dissiplines. Hulle is ongelooflik knap en toegewyd, en gaan uit hul pad om 'n nuwe geslag jongmense op dieselfde pad te lei. Die onderskeie dosente beskou dit as 'n groot eer, maar laat hulle terselfdertyd nederig laat voel. Die topdosentetoekennings is iets waarna dosente kan streef én 'n bewys dat die student se ervaring vir ons belangrik is."



Die topdosent binne die Skool vir Rekeningkunde, Roelof Baard (regs), saam met Prof. Pierre Olivier, die Direkteur van die Skool vir Rekeningkunde

(Foto geneem deur Natalie Daniels)

Prof. Sarel Steel van die Departement Statistiek en Aktuariële Wetenskap is aangewys as die wenner van die Fakulteit se topdosentkompetisie. Prof. Edwin Theron van die Departement Ondernemingsbestuur en Roelof Baard van die Skool vir Rekeningkunde het onderskeidelik die tweede en derde plek in die kompetisie behaal. Die onderskeie departementele topdosente is: Prof. Edwin Theron (Departement Ondernemingsbestuur), Dr. Debra Shepherd (Departement Ekonomie), Prof. Callie Theron (Departement Bedryfsielkunde), Prof. Sarel Steel (Departement Statistiek en Aktuariële Wetenskap), Dr. Babette Rabie (Skool vir Publieke Leierskap), Roelof Baard (Skool vir Rekeningkunde), Heinri Freiboth (Departement Logistiek) en Prof. André Roux (US Bestuurskool).

Die Skool vir Rekeningkunde se Roelof Baard glo dosente moet eerstens dit wat hulle aanbied, self verstaan; anders gaan die studente nie verstaan nie. "Hulle sien regdeur jou en daarom moet jy altyd jouself wees. Elke student verdien om dieselfde entoesiasme as jy oor jou vak te ervaar en dis wonderlik om te sien hoe iemand se passie ontwikkel. Ek kan myself nie iets anders sien doen nie; vir my is dit 'n roeping."

First-year lecturers honoured by students

A prestige evening was hosted by Prof. Arnold Schoonwinkel, the vice rector, at the Lord Neethling Restaurant on 6 April 2016. The purpose of the evening was to give recognition to the 2015 top performing first-year students. These students were asked to acknowledge a lecturer whom they believed had the greatest influence on their academic excellence and each of the nominated lecturers were presented with a certificate for their contribution towards these students. Sybil Smit, Nabeelah Daniels and Maricia Krige from the School of Accountancy was honored by their students. These lecturers appear on the photo together with the students who nominated them. The prestige evening aims to motivate first-year student to continue with their hard work and academic excellence, whilst motivating lecturers to continue assisting students at Stellenbosch University to reach their academic goals.



Prof. Pieter Olivier (Director of the School of Accountancy), Olivia Viljoen, Sybil Smit, Monique Jakob, Nabeelah Daniels, Maricia Krige and Lyle Rossouw



Using accounting research to make a societal impact ... cyberbullying

As technology becomes more advanced and forms a bigger part of our lives, online abuse and cyberbullying also become more and more prevalent. This is not only an international trend, in South Africa the reported number of cyberbullying incidents are on the increase. Cyberbullying happens when someone is tormented, threatened, harassed, humiliated, embarrassed or otherwise targeted by another individual using the internet, interactive and digital or mobile technologies. Cyberbullying can take different forms.

Traditional face-to-face bullying can have a long-term psychological impact and could result in low self-esteem, depression, anger, school failure and avoidance. Cyberbullying has a greater impact because online communications can be extremely vicious and expressive. A comment or image has a greater impact and can be distributed worldwide and is often irreversible. Technology gives cyberbullies anonymity and a sense of power and can solicit the involvement of other people's comments. Victims cannot escape cyberbullies and it invades a victim's safe places as it is ongoing, 24 hours, 7 days a week.

Many people argue that much academic research does not have an impact on society. Prof. Riaan Rudman and Natasha Sexton, both Auditing lecturers at the School of Accountancy, used their research on internet user behaviour to develop a talk for school learners on acceptable online behaviour, the risks learners expose themselves to online and the impact of cyberbullying. The talk highlighted cyberbullying and acceptable online behaviour and was presented to primary and high school learners. Creating awareness was not limited to learners, a talk was also held with parents and social workers who work at various schools and organisations in the greater Cape Town and Boland area.

Cyberbullying includes:

- **Flaming:** Online fights, using electronic messages with angry and vulgar language.
- **Harassment:** Repeatedly sending nasty, mean, insulting, cruel or threatening messages.
- **Denigration:** Sending or posting gossip or rumours about a person to damage his or her reputation or friendships.
- **Impersonation or identity theft:** Pretending to be someone else and sending or posting material to get that person in trouble or danger or to damage that person's reputation or friendships.
- **Outing:** Sharing someone's secrets or embarrassing information or images online.
- **Trickery:** Talking someone into revealing secrets or embarrassing information, then sharing it online.

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SciMathUS-oorbruggingsprogram skep tweede geleentheid

Die Skool vir Rekeningkunde is reeds die afgelope 11 jaar by die SciMathUS-oorbruggingsprogram betrokke. Die oorbruggingsprogram is in 2001 deur die Universiteit Stellenbosch se Sentrum vir Pedagogie (SUNCEP) van stapel gestuur om opvoedkundig benadeelde leerders 'n tweede kans om vir toelating tot hoër onderwys te kwalifiseer, te bied.

Die struktuur van die program is egter met die ingang van 2016 verander. Voorheen was alle Inleiding tot Rekeningkunde lesings, 'n kernvak van die program, deur 'n fasiliteerder van die Skool vir Rekeningkunde aangebied. Met die aanvang van 2016 moes studente registreer vir die vak, Inleiding tot Rekeningkunde 171, 'n module wat deel vorm van die Verlengde Graadprogram, aangebied deur die Fakulteit Ekonomiese- en Bestuurswetenskappe. Die oorblywende kernvakke in die program is Wiskunde, Natuur- en Skeikunde en Inleiding tot Ekonomie, wat deur fasiliteerders in diens van SUNCEP aangebied word. Benewens die kernvakke, word leerders ook blootgestel aan Akademiese Geletterdheid, Lewens- en Studievaardighede, Taal- en Rekenaargeletterdheid.



Die 2016 SciMathUS groep

Die SciMathUS-oorbruggingsprogram lewer 'n waardevolle bydrae tot transformasie binne die Fakulteit. Sedert die loodsing van die program het 179 (17 studente aan die begin van 2016) opvoedkundig benadeelde studente toelating tot die Fakulteit Ekonomiese en Bestuurswetenskappe se programme verkry. Bykomende hiertoe het 'n aantal van hierdie studente oor die afgelope drie jaar daarin geslaag om Thuthuka beurse te verwerf en vorder tans goed met hulle studies.

Wandi van Renen, wat sedert 2012 die Skool se betrokkenheid by die program gekoördineer het en voorheen betrokke was by die aanbieding van die program, is tans besig met navorsing rakende die effek van die verandering in die struktuur van die program op studente se ervaring.

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Bitcoin ... facilitating an African financial revolution

Bitcoin is allowing any person, anywhere in the world to send and receive any amount of money, without asking permission, at minimal costs and almost instantly.

Bitcoin was invented by anonymous user 'Satoshi Nakamoto' in 2008 and is a good example of a virtual currency. It is a digital medium of exchange that is acquired, held and traded electronically with no government or bank involvement. Bitcoin was initially designed to facilitate online payments as an alternative to credit card or PayPal payments. It is considered a cryptocurrency because cryptography is used to make the ownership and trade of these digital currencies secure from loss or theft. Records of bitcoin transactions are maintained by the blockchain, a transaction log distributed across a network of participating computers which provides transaction evidence in a permanent and public record.

THE POTENTIAL TO FACILITATE A FINANCIAL REVOLUTION

Many African citizens do not have bank accounts and already utilise mobile payment methods. Bitcoins have the potential to revolutionise any emerging economy's financial system as a secure method of payment. African countries stand to benefit from the use of bitcoin because of unreliable currencies and immature financial infrastructure. Bitcoins hold many benefits for companies, including:

- **Ease of use:** Setting up a Bitcoin address is free, fast and easier to do than setting up a bank account. Banks are not required to facilitate and transfer funds across the networks, nor is a bank account required. All that is required is a mobile device with Internet connectivity.
- **Cost effective:** Bitcoin is an inexpensive way to receive and make payments. Fees are unrelated to the amount transferred. There are no fees applicable to receiving bitcoins, when paying with bitcoins, a business can choose their own fees. Higher fees encourage faster confirmation of a transaction.
- **Bitcoins are not geographically bound:** The physical location of the sender and receiver of a Bitcoin transaction has no effect on the transaction costs or the speed of the transaction. This also helps to facilitate cross-border transactions and creates an opportunity for companies to enter new global markets and gain access to new potential customers in emerging markets, where credit cards are not offered or financial infrastructure does not exist. By accepting Bitcoin, companies can easily receive risk-free payments from anywhere in the world.
- **Secure method of payment:** The Bitcoin network is secure, relying on cryptology to limit the fraud that is normally associated with e-commerce-based payments. Users are protected against identity theft as personal information is not tied to transactions. Bitcoin transactions are initiated by the payer and rely on a 'push'-payment system rather than a 'pull'-payment system as with most conventional payment systems. Therefore, merchants are protected from potential losses due to fraud.
- **Minimal regulation:** Accepting credit card payments online require extensive security checks in order to comply with the Payment Card Industry standard. Bitcoin, on the other hand, requires companies to secure their wallet and payment requests, but the business will not carry the costs and responsibilities that come with processing sensitive information of customers.
- **Transparency:** Personal information is not tied to transactions, but blockchain provides a public ledger of all finalised transactions.
- **No inflationary impact:** Bitcoins are not subject to inflation because the total number of bitcoins that can be mined (issuing the currency) is currently capped at about 21 million. Even though the total number of bitcoins is capped, Bitcoin is a fractional currency, meaning that a portion of a bitcoin can be used to complete a transaction.

Global acceptance of Bitcoin throughout the broader economy is still in its infancy, but it is growing in its acceptance as an alternative method of payment. It has great potential for expansion into Africa and can spark the next African financial revolution.

This article was written by Rikkie Thomas, a Financial Accounting lecturer at the School of Accountancy.



#auditsexy

The teaching and learning strategy adopted by Stellenbosch University is evolving to include increasingly more information and communication technologies (ICTs), in order to meet the needs of students. Nowadays the vast majority of students use social media platforms in their everyday lives in order to stay connected and informed about current events. According to the "Strategy for the use of ICT in learning and teaching at Stellenbosch University" document, ICTs can be used to improve the flexibility and mobility of the learning process.

For the third year, the undergraduate Auditing students at the School of Accountancy were tasked with looking for internal control weaknesses in their everyday lives. Students had to take a photo or video clip of any internal control weakness they identified and explain the compensating controls that were in place or controls which could be implemented in order to mitigate the risk associated with the weakness in internal controls. The videos and photos were posted on the #auditsexy Facebook group with the #auditsexy caption. This platform of sharing photos and videos allowed students to learn from each other and students had the opportunity to "like" and "share" each other's posts. According to a survey done in 2015, based on the same project, students felt that the assignment helped them to gain a deeper understanding of internal controls and control weaknesses and contributed to their learning process.

Over and above the focus on internal controls, the assignment created the opportunity to discuss various risks associated with social media to individuals as well as businesses. Before the launch of the assignment, Prof. Riaan Rudman, from the School of Accountancy, explained the risks associated with social media to all students involved in the assignment. This was done by means of a presentation based on research conducted on the risks associated with social media. During the course of the assignment, as students made posts and risks presented themselves, discussions were held regarding copyright implications of both photos and music, brand awareness, the Protection of Personal Information (POPI) Act, ethical considerations and the importance of disclaimers in class.

PwC was the main sponsor of the assignment and sponsored tablets for the students with the best video clip and gift vouchers for the best photo. Several category prizes were sponsored by the South African Institute of Chartered Accountants (SAICA) as well as PwC. The winners of the best video and best photo categories were determined by a panel of independent judges, consisting of Chartered Accountants in public practice, the private sector and a representative of SAICA. The prizes were awarded based on the validity and originality of the control weakness identified, real-life implications of the weakness, the explanation of the mitigating controls relevant to the control weakness identified as well as entertainment value. The number of "likes" a post received on Facebook was also taken into consideration in determining the winners.

The best video clip prize was won by Jaun-Maria Taljaard, Mark Van Zyl and Yolandi Janse van Rensburg, who highlighted the importance of internal controls around the redemption of paper based vouchers in order to prevent the public from making copies and using vouchers more than once. The best photo prize was awarded to Hlumelo Maqubela, Logan Duffy and Tomas Hartmann, who identified an internal control weakness relating to authorisation of payments made with credit cards.



*The winners in the best video category
From left to right: Mark van Zyl, Yolandi Janse van Rensburg,
Jaun-Maria Taljaard and Jaco Swanepoel (PwC)*



*The winners in the best photo category
From left to right: Logan Duffy, Hlumelo Maqubela,
Jaco Swanepoel (PwC) and Tomas Hartmann*

Other prize winners of the #audit_sexy assignment were:

Category	Sponsor	Winners
Most liked video post	PwC	J Taljaard, Y Janse Van Rensburg and M van Zyl
Most liked photo post	PwC	G Blok, L Rabie and M James
#audit_sexy	SAICA	L Fourie and PE Linde
Pokimongo award	PwC	E Abrahams, LT Carlos and C Cuyler
# hashtag award	SAICA	G Blok, L Rabie and M James
Most active user	PwC	C Solomons
Most liked person	SAICA	A Visser (Lecturer)
Worst Criminals	SAICA	W Pretorius and C Strauss
Best moves	PwC	A Snyman, CL Carelse and A Sholtz
Learning is funny	SAICA	M Malan, K Fourie and M Hoffman
Lecturers' choice	PwC	FPR Van Wyk, EC Beukman and C Lantze

Positive feedback was again received from the students. In addition to indicating that the assignment contributed to the learning process and their understanding of internal controls and relevant weaknesses, students indicated that the assignment improved their awareness of social media risks and ethical responsibilities. Students were appreciative of the advantages of incorporating ICTs with traditional teaching methods as it took the subject matter from being merely theoretical to something they are more aware of in their everyday lives.

We would like to thank PwC Human Capital in the Western Cape for their sponsorship and commitment to improving the education of aspiring CA (SA)s.

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Jaarlikse Prysuitdelingsfunksie

Die jaarlikse prysuitdelingsfunksie van die Skool vir Rekeningkunde ten opsigte van studenteprestasies gedurende 2015 het op 20 September 2016 by die Stellenbosse Instituut vir Gevorderde Navorsing (STIAS) plaasgevind. Die funksie is deur KPMG geborg. Edward Belstead, Direkteur: Finansiële Dienste by KPMG, Kaapstad was die spreker by die geleentheid. Edward is 'n passievolle kunsliefhebber en die titel van sy aanbieding was "Kuns as 'n belegging". Besonderhede van die pryse wat tydens hierdie geleentheid aan studente van die Skool vir Rekeningkunde oorhandig is, verskyn hieronder.

BORGE & PRYSE	OORHANDIG DEUR	PRYSWENNERS
CIMA	Mnr. William Smith	
Beste HonsBComm-student in Bestuursrekeningkunde		Sharné Davey
EY (ERNST & YOUNG)	Mnr. Hannes Boshoff	
Beste vordering in Finansiële Rekeningkunde II deur 'n BRek-student Twee pryse toegeken aan HonsBRek-studente wat die beste vordering toon		Elzann Summers Courtney Apollis Justin Musapo
DELOITTE	Me. Lise van Schoor	
Beste tweedejaar BRek-student in Finansiële Rekeningkunde en Belasting Beste derdejaar BRek-student in Finansiële Rekeningkunde en Belasting Tweedebeste HonsBRek-student		Daniele Smit Angelique Koen Matthys Lourens
BASS GORDON	Me. Susan van der Valk	
Beste derdejaar BRek-student in Finansiële Rekeningkunde		Angelique Koen
KPMG	Mnr. Edward Belstead	
Beste eerstejaar BRek-studente in Finansiële Rekeningkunde Beste HonsBRek-student in Finansiële Rekeningkunde Phumzile Njomose Gedenkprys		Sybrand Strauss Matthys Lourens Ryelan Hardnick
LEXISNEXIS	Me. Syntyche de Waal	
Twee boekpryse aan verdienstelike BRek-studente		Jolanie Last Leandri du Toit
LITTLE BIG BOOKSTORE	Prof. Kobus van Schalkwyk	
Beste derdejaar BComm-student in Finansiële Rekeningkunde Tweedebeste derdejaar BComm-student in Finansiële Rekeningkunde		Tiffany Schwegmann Jessica Boyes
PASTEL SOFTWARE	Me. Rebecca Mulaudzi	
Beste derdejaar student in Inligtingstelsels		Helen Denny
PWC	Mnr. Hein Döman	
Beste tweedejaar BRek-student in Ouditkunde Beste derdejaar BRek-student in Ouditkunde Tweedebeste derdejaar BRek-student Beste derdejaar BRek-student Beste HonneursBRek-student		Ryelan Hardnick Christina Fourie Chelsea Cornwall Angelique Koen Nina Frenz
ROUX VAN DER POEL-merietebeurse (PWC)	Mnr. Hein Döman	
Merietebeurse aan HonsBRek-studente		Catharina van Zyl Margot Thomlinson Stella Swiegers Marietjie de Wet Wei-Ren Mao Christo Retief Lizaan Viljoen Hendrik Truter Peter Thorne Izelle Geringer Christal-Lee Janse van Vuuren
SAIPA (South African Institute of Professional Accountants)	Mnr. Allie Dollie	
Beste eerstejaar BComm-student in Finansiële Rekeningkunde Beste derdejaar BComm-student in Belasting		Julie-Anne Gerber Melissa Bause



PKF RADEMEYER WESSON		Me. Maryke Theron
Beste derdejaar BRek-student in Finansiële Rekeningkunde, Belasting en Bestuursrekeningkunde		Angelique Koen
Beste tweedejaar BRek-student in Finansiële Rekeningkunde, Belasting en Bestuursrekeningkunde		Daniele Smit
Beste tweedejaar BComm-student in Finansiële Rekeningkunde		Connor McCann
SANLAM		Mnr. Ainsley Moos
Beste derdejaar BComm-student in Finansiële Rekeningkunde, Belasting en Bestuursrekeningkunde		Jessica Boyes
Beste eerstejaar BRek-student		Olivia Viljoen
Beste tweedejaar BRek-student in Finansiële Rekeningkunde		Daniele Smit
Beste tweedejaar BRek-student		Daniele Smit
SAIGR (Suid-Afrikaanse Instituut vir Geoktrooieerde Rekenmeesters)		Mnr. Christiaan Vorster
Beste HonsBRek-student in Belasting		Nina Frenz
Beste HonsBRek-student in Ouditkunde		Conrad van Zyl
Beste HonsBRek-student in Finansiële Rekeningkunde		Matthys Lourens
Beste HonsBRek-student in Bestuursrekeningkunde		Nina Frenz
Beste eerstejaar BRek-student in professionele vakke		Evan Eugene Abrahams
Beste tweedejaar BRek-student in professionele vakke		Daniele Smit
Beste derdejaar BRek-student in professionele vakke		Angelique Koen
Beste HonsBRek-student		Nina Frenz
Beste eerstejaar Thuthuka-student		Carlo Franklik Arenz
Naasbeste eerstejaar Thuthuka-student		Melanie Lynne Jacobs
Beste tweedejaar Thuthuka-student		Chad Brandon Adams
Naasbeste tweedejaar Thuthuka-student		Gavral Erin Speelman
Beste derdejaar Thuthuka-student		Adrian Samuels
Naasbeste derdejaar Thuthuka-student		Timwen Dane Hendricks
Beste HonsBRek Thuthuka-student		Lauren Kleintjies
Naasbeste HonsBRek Thuthuka-student		Anrich Rossouw

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- Wil jy SAICA of SAIPA klerkskap doen?
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VAN DER STERR-FIRE: A modern, green, bright future is now in sight



On Sunday 22 February 2015 the northern and eastern wings of the Van der Sterr Building, the heart of the offices and lecture venues of the School of Accountancy, was crippled by a devastating fire. Instead of merely rebuilding, the University embarked on a project to renovate the building significantly to address some of the issues currently facing the University. An enormous amount of imagining, thinking, strategizing and planning has since taken place in the process to restore and redesign the Van der Sterr Building.

The beautiful historic outside of the Van der Sterr Building will be restored to its former glory. However, it is the inside of the building that promises to be stunningly different from what it was before. Existing spaces are being modernised and new auditoria are being added. The expansion of the building will house various new lecture auditoria, postgraduate laboratories and computer user areas and will cater for a significantly more interactive learning experience. Furthermore, the impact of the new building on the environment has been kept to a minimum inter alia by using energy efficient air conditioning technology. It will also house additional offices for staff and more open workspaces.

The new auditoria will be housed in a completely new section of the Van der Sterr Building, which is being erected in its courtyard as a brand new triple-volume building. Two 300-seat auditoria, one 250-seat auditorium and one 80-seat auditorium will be housed in the new building. The auditoria will be Wi-Fi enabled and mobile technology friendly, which will facilitate the modern world of technology enabled blended learning and the use of mobile technology during lectures. Every second seat will also have a power outlet to enable charging of devices during long sessions. All floors and auditoria will be fully wheelchair-accessible thanks to an elevator.



After completion of the project, the "new" Van der Sterr Building will house the School of Accountancy and the departments of Statistics and Actuarial Science and of Logistics. The building will include 19 lecture venues with a total seating capacity of 3 112 people, two computer user areas with a combined capacity of 178 users and postgraduate laboratories that can accommodate 60 students.

Staff are being treated to inter alia modern office spaces with maximum natural light, shower facilities to enable them to incorporate fitness into their work-lives and nursing rooms. The management and Staff of the School very much look forward to moving into our new spaces after having experienced a rather nomadic and scattered existence on campus over the last almost two years. Many a staff member will possibly experience a sense of nostalgia when they look around the new building and remember what had been where, before their worlds were rocked by the events of 22 February 2015.



The architect's presentation of what the new section that is being erected in the former courtyard of the Van Der Sterr Building will look like

The new lecture venues of the building should be ready for use from the start of the 2017 academic year, whereas the new staff areas should be ready for occupation by the end of March 2017.

The project to renovate the Van der Sterr building is a costly exercise. To continue with and sustain this project, the Faculty of Economic and Management Sciences increasingly relies on donations and sponsorships. We therefore kindly invite you to help us secure a brighter future for all our current and future students through investing in the School of Accountancy. Those wishing to become involved can contact MJ Brooks, Faculty Director: Economic and Management Sciences, at 021 808 2078 / 021 808 2225 or e-mail mjbrooks@sun.ac.za. To find out more about this campaign visit the website www.sun.ac.za/ems.

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Besoek www.ldp.co.za vir meer informasie.

Die Skool vir Rekeningkunde spog met veelsydige studente

Ten spyte van 'n beenmurgoorplanting in 2011 om hom te genees van akute myeloïde leukemie (AML), is Herculaas Lamprecht, 'n eerstejaar BCom (Bestuurswetenskappe) student steeds 'n ywerige atleet. Nadat hy aanvanklik net kortafstande gehardloop het, het Herculaas in 2013 oorgeskakel na middellafstande, tweekamp, moderne vyfkamp en uiteindelik *Laser-run* in 2016. *Laser-run* is 'n taamluk nuwe sport, wat bestaan uit 3200m se hardloop en luggistool skiet. Herculaas het gedurende die jaar daarin geslaag om ingesluit te word in die Boland en Wes-Kaap span en het 'n tweede plek by die SA kampioenskappe in Bela-Bela behaal. In Oktober het Herculaas aan die SA Oorplantings Atletiekbyeenkoms, 'n afdeling onder Paralimpiese sport, deelgeneem, waar hy die Wes-Kaap verteenwoordig het. Hier het hy 'n eerste plek in onderskeidelik die 400m, 800m en 1500m behaal en gekwalifiseer om SA volgende jaar in Malaga, Spanje te verteenwoordig.



According to Tristan de Lange "it's not easy to find the sweet spot between a sport and studies. However, if one does, it is the best of both worlds." This year, Tristan, a first-year BComm student, raced in the mountain biking /U23 Elite category for the first time. He feels that this was, as with his studies, a learning curve. At the beginning of the year he participated in and won the Ashburton Investments Marathon in Meerendal. He has also previously participated in multiple other marathon races such as the ASSA Alboy Bike Marathon in Germany, where he achieved a top 10 position, as well as the Three Towers Stage Race, where he and his team mate reached the top 5, despite competing against some of South Africa's best marathon racers. However, Tristan specializes in Cross Country racing as this is what gives him "the rush of adrenalin". Tristan has competed in the SA Cup series races across South Africa, managed a 5th position at the African Continental Championships in Lesotho, won the Namibian National Cross Country Championships and also competed in the 2016 Cross Country World Championships in the Czech Republic.

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Anita Engelbrecht, 'n finale jaar BCom (BestRek) student wat in 'n rolstoel is, laat haar nie sommer onderkry nie. Sy het gedurende die jaar as deel van 'n *jogger-span* aan beide die Two Oceans Ultra Marathon en die Comrades deelgeneem. Saam met haar *jogger-spanmaat*, Hilton Murray, het Anita in die afgelope nege maande drie marathonne in blitsige tye voltooi. Hulle was ook die eerste amptelike *jogger-span* wat die Old Mutual Two Oceans Ultra Marathon 2016 suksesvol voltooi het. In Mei 2016 was hulle ook deel van die amptelike pacesetters van Westelike Provinsie Atletiek by die Cape Town 12 ONE RUN. Hulle mees onlangse suksesverhaal is "the ultimate human race" – die Comrades Marathon.

Geskiedenis is gemaak tydens die 91ste Comrades Marathon, nie net toe Anita en haar spanmaat as die eerste duo-span by die wegspringplek bymekaargekom en *Chariots of Fire* ervaar het nie, maar ook met die brons medalje wat hulle losgeslaan het in hulle tyd van 10:57:52 – sub 11 uur! Anita beskou dit as 'n voorreg om die weg te baan vir ander gestremde persone wat ook wil deelneem aan sport en voel dat bewusmaking en blootstelling van kardinale belang is. Sy beskou dit as 'n seën om in oorfloed te kan leef en dit dan ook te kan doen vir 'n groter doel. Haar Comrades deelname was ten bate van die *Chaeli Sports and Recreation Club* en vir *PinkDrive*. Anita beplan om volgende jaar terug te gaan Durban toe vir haar agtereenvolgende Comrades "up run". Intussen wil sy onder andere driekamp aandurf en Hilton gaan haar "main rider" in die Cape Town Cycle Tour 2017 wees. As alles volgens plan verloop swem hulle ook vroeg volgende jaar die Midmar Myl.



Vera Adrian is a final year BComm (Management Accounting) student from Namibia. At the beginning of the year she won both the Namibian Time Trial and Road Race Championships. From there she participated in the African Continental Championships where she managed to win both the Road and Time Trial title. This achievement qualified her to take part in the 2016 Olympic Games in Rio. Vera spent her June and July holiday in Europe preparing for the Olympic Games. According to Vera "the Olympics in Rio was a once in a lifetime experience". Unfortunately, being sick on the day of her race, Vera couldn't finish the race due to the 8% time rule. Despite all the time that went into training and racing this year, Vera hopes to graduate in December.

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Chante van der Merwe is a second year BCom (Financial Management) student and for the past three years she has been a semi-professional cyclist for Team Bestmed ASG. Since she started cycling at the age of 10, Chante and her bike has been inseparable. One of her cycling career highlights was when she was selected to go to the Junior World Championships in Glasgow in 2014. Some of her achievements for 2016 include: 1st Elite lady and 1st overall in the WP TT Championships, 2nd Elite lady in the WP Road Championships, 15th overall and 5th u/23 in the SA Road Championship, 7th overall and 2nd u/23 in the Tour de Boland and 3rd u/23 in the Tour de Durban. Chante also finished 1st overall for Maties in the Intervarsity against UCT in May this year. During the coming months Chante will be competing in the Amasova in Durban, 94.7 in Johannesburg and a UCI tour, an international standard tour where one can earn UCI points enabling cyclist to compete at main world tour events like the Commonwealth Games or even the Olympics.

Lianda Du Plessis, a final year BAcc student, served as Treasurer on the Stellenbosch University Student Representative Council (SRC) 2015/2016. Some of her responsibilities during her term included drafting the budget, managing the funds, the #RegisterALL campaign to support financially needy students, RMT meeting and Student Fees Committee meetings. To Lianda her involvement on the SCR was "an experience of growth that has taught Lianda a lot about herself and the world around her". Furthermore Lianda was also awarded the Golden Key Undergraduate Achievement Scholarship, an award that honours students who excel in all three aspects that Golden Key focusses on, namely leadership, academics and community involvement. Lianda was also one of 30 students selected by The South African Institute of Chartered Accountants (SAICA) to attend their Student Leadership Summit (SLS) that was held in Johannesburg. The summit, hosted by SAICA and Standard Bank, serves as a networking event for accounting students and business leaders in South Africa. To apply for the summit, Lianda had to write a 1 000 word essay about one of the three topics which SAICA prescribed. Her essay conveyed her views on the current university funding crisis under the title "#FeesMustFall and ways in which funding tertiary education can be made available to students".



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Holders of the SAIPA Professional Accountant (SA) qualification are empowered to perform numerous functions and issue reports in terms of the following pieces of legislation:

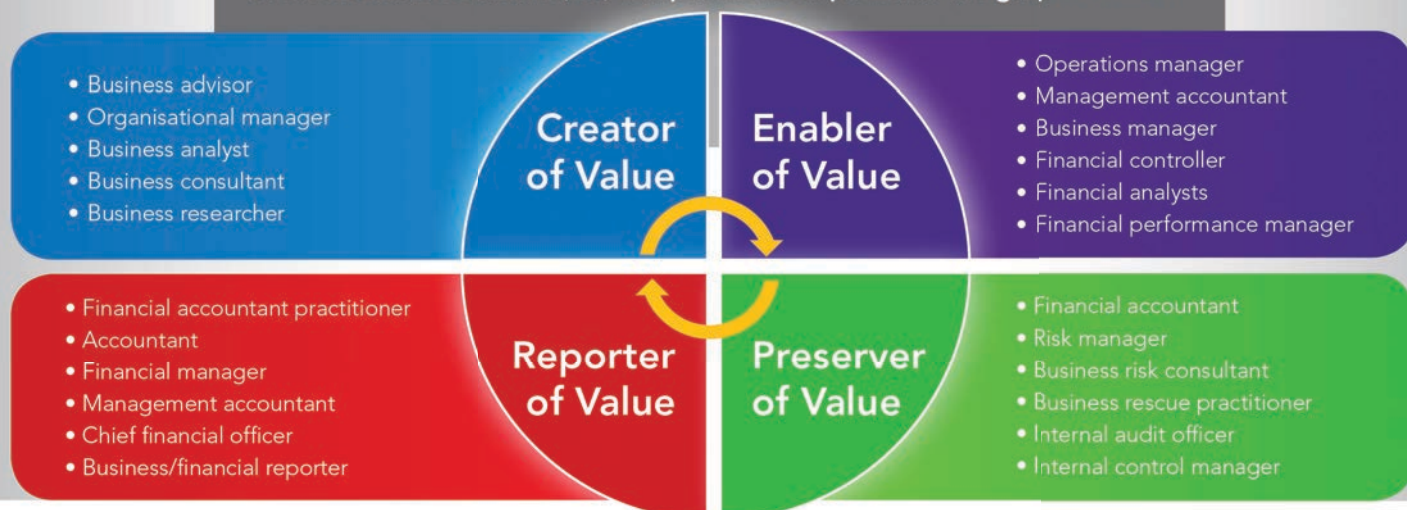
- Companies Act
- Close Corporations Act
- Micro Lending Industry Regulations
- Sectional Titles Act
- Non-profit Organisations Act
- Income Tax Act
- Schools Act and various other acts

Unlike the traditional understanding of what an accountant does, which puts emphasis on the preparation of financial statements, a Professional Accountant (SA) can perform a broad range of functions that can be categorised as follows:

- Creator of value
- Enabler of value
- Preserver of value
- Reporter of value

The Professional Accountant (SA) designation/qualification is NQF Level 8 registered.

In each of these categories there are a number of careers that a Professional Accountant (SA) can pursue as depicted in the graphic below:



It is important to note that a career in professional accounting may require additional practical experience in the various fields of specialisation.

The South African Institute of Professional Accountants (SAIPA) is one of the country's leading accountancy institutes with more than 10,000 members. SAIPA represents qualified professional accountants in practice, commerce and industry, academia, and the public sector.

SAIPA leads the way in forging a new and dynamic role for the Professional Accountant (SA) to fulfill the escalating demands made by businesses in South Africa's growing economy by equipping its members with the latest knowledge, techniques, and accreditation in the increasingly advanced services they render.

For more information on becoming a member of SAIPA or earning the designation of Professional Accountant (SA) please visit www.saipa.co.za, email info@saipa.co.za or call 08611 72472.

Making a difference for small businesses



Some of the Paarl East entrepreneurs who attended the workshop, with Corinna Kirsten, Anet Knoetze, Nicolette Klopper and Mareli Dippenaar (from the School of Accountancy) and Kim Klir (from SEED) at the Paarl East Thusong Centre during the lunch break

The School of Accountancy has yet again successfully collaborated with various role-players to assist small businesses in the Boland Area. This year, the School partnered with Drakenstein Municipality, Violence Prevention Through Urban Upgrading (VPUU), Paarl East Safe Node Area and Stellenbosch Entrepreneur and Enterprise Development (SEED) Trust and presented a Business Plan Workshop to entrepreneurs from Paarl East. This one-day Business Plan Workshop, held at the Paarl East Thusong Centre, assisted entrepreneurs (who either have a start-up or an existing business) to improve their business plans. Corinna Kirsten, Anet Knoetze, Nicolette Klopper and Mareli Dippenaar from the School of Accountancy and Kim Klir (from SEED) facilitated the workshop. The workshop was attended by 20 entrepreneurs, who will receive further future support in the form of mentoring by SEED and assistance from the School to assist the entrepreneurs to improve their financial management skills.

The School of Accounting is available to collaborate with any organisations to assist in empowering entrepreneurs to become self-reliant in the management of the finances of their business. Anyone interested in obtaining more information regarding this project, or who wishes to collaborate in small business financial management development initiatives, are welcome to contact Corinna at: corinnakirsten@sun.ac.za.

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Smith & Associate Ingelyf

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Moenie vergeet dat jy eintlik reeds anders is as al die ander nie.....

Jy's dit aan jouself verskuldig om jou volle potensiaal te ontgin en ons kan jou help om dit te doen!

Retirement reform – the saga continues

In 2013 Government noted its concern that the absence of mandatory annuitisation provisions for provident funds means that many retirees spend their retirement assets too quickly and face the risk of outliving their retirement savings. It was further stated that Government's policy is to encourage a secure post-retirement income in the form of mandatory annuitisation, and that provident funds and provident preservation funds must be aligned to other retirement funds and preservation funds in this regard.

A media statement issued on behalf of the Ministry of Finance on 18 February 2016 reiterated that Government remains of the view that the principle of annuitisation is in the best interest of all members of retirement funds as it can alleviate old-age poverty.

It is, however, submitted that the risk of old-age poverty is also aggravated by the fact that members of any retirement fund can withdraw their total fund value every time they change jobs. Those who do not preserve the funds on changing jobs, will end up with a much smaller final 'retirement interest' (a member's share of the value of the fund on the date he or she retires) on retirement. According to the annual Sanlam BENCHMARK Surveys this represents the majority, some 80% of employees. Such persons will also pay more tax on such withdrawals since only R25 000 is tax free in the case of a lump sum withdrawal before normal retirement age, instead of the R500 000 tax free lump sum benefit on retirement.

According to data from the Financial Services Board (FSB), there is roughly 5.8 million provident fund members, 4.2 million pension fund members and 4.1 million retirement annuity members in

South Africa. Some members belong to more than one of these vehicles. Currently only members of provident funds and provident preservation funds can elect that the total amount of their retirement interest be paid out in the form of a lump sum on retirement. Members of pension funds, pension preservation funds and retirement annuity funds can only elect a maximum lump sum of one-third of their retirement interest and the balance must be paid out as compulsory annuities.

The numerous number of amendments related to the retirement reform initiative, contained in all the Taxation Laws Amendment Acts since 2013, underline the sensitivity and importance of this matter. Despite extensive consultation processes since 2012, the date set for this alignment, 1 March 2016, was once again postponed to 1 March 2018 earlier this year.

The Minister of Finance was also instructed to, after deliberations with interested parties and the National Economic Development and Labour Council (NEDLAC), table a report on the result of these deliberations in the National Assembly by no later than 31 August 2017. These conditions were included after Cosatu threatened to call a general strike if annuitisation was merely deferred. The National Mineworkers of South Africa remains opposed to the deferment of annuitisation.

Even though the annuitisation of provident funds was postponed, the new section 11(k) deduction in respect of contributions made to any retirement fund still came into operation on 1 March 2016. Deductible contributions are capped at R350 000, which might curtail high income earners who could potentially afford to save at a higher rate than the allowable 27,5%.

It remains to be seen whether the report of the Minister, on or before 31 August 2017, will confirm the current commencement date of 1 March 2018 in respect of the annuitisation of provident funds. In light of the wide-spread reactions of interested parties, more amendments in this regard will not be surprising.

This article was written by Prof. Linda van Zyl, Divisional head: Taxation at the School of Accountancy and program coordinator of the MAcc (Taxation) program.



Besoek aan EBS Besigheidskool in Duitsland

Pieter Coetzee, 'n HonsBRek-student, het gedurende die Junie-vakansie die voorreg gehad om 'n drie-week kursus by die EBS Besigheidskool in Oestrich-Winkel, Duitsland by te woon. EBS Universiteit is 'n privaat universiteit wat fokus op besigheidsgrade en regte. Die universiteit is in 1971 gestig en het twee kampusse in Duitsland, naamlik in Wiesbaden en in Oestrich-Winkel, op die oewer van die Rynrivier.

Derdejaar- en nagraadse studente kon vir die geleentheid aansoek doen, waarna aansoekers op gronde van hulle akademiese prestasie gekeur is. Saam met Pieter was drie ander Stellenbosch Universiteit studente, Waylon Wentzel, Caitlin Troup en Jandewet Linde. Studente is gedeeltelik deur die Stellenbosch Universiteit se Internasionale kantoor befonds.



Die fokus van die kursus was "*How to do Business in Europe*". Die klasse was vir Pieter een van die grootste uitdaginge: "Die meeste studente is Europeërs, met 'n baie sterker agtergrond van Europa se ekonomie. Sekere dae was dit nodig om na klas self meer te gaan lees oor die werk wat in die klas gedek is om die agtergrond beter te verstaan."

Studente moes ongeveer sewe ure per dag se klasse vir drie weke lank bywoon en twee eksamenvraestelle skryf. Die kursus is deur ongeveer 50 studente, afkomstig van 10 verskillende lande, bygewoon. Klasse is in baie kleiner klaskamers aangebied en is deur 'n baie selektiewe groep studente van reg oor die wêreld bygewoon. Daar was elke dag 'n nuwe dosent, elk 'n kundige op sy vakgebied, wat uit lande soos Frankryk, Engeland, Serwië en Duitsland gekom het.

"Ek het akademies baie geleer in so 'n kort periode en die kursus het my nuw e perspektiewe gegee oor Europa en sy kultuur. Die interessantste ervaring was 'n daguitstappie na die Audi-fabriek in Heidelberg, waar ons meer kon sien oor die produksie en prosesse in die vervaardiging van karre," sê Pieter. Gedurende sy tyd daar het Pieter gedurende die week baie hard gewerk, maar naweke afgevat om na omliggende Europese stede, ondermeer Strasbourg, Cologne, Frankfurt en Praag te toer. Hy het ook ongelooflike vriende van Amerika, Australië, Nederland, die Verenigde Koninkryk en China gemaak.

Pieter se gunsteling oomblik was toe hy en Andrew ('n vriend van Amerika) na die kursus saam deur Duitsland gaan reis het en in Fussen, 'n dorpie op die grens van Duitsland en Oostenryk, opgeëindig het. Hier het hulle op die Alpe See gaan roei en net daar het Pieter besef dat hierdie geleentheid 'n onbeskryflike groot voorreg was.



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#Keepcalm, it's the audit process

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Auditing is known as a theoretical subject aimed towards developing a skill, as taught by universities, and the challenge auditing lecturers face is to teach students how to apply the theory taught practically. It is challenging to introduce a practical side to auditing, so the undergraduate auditing lecturers at the School of Accountancy decided to involve the Auditing 378 students in this process by introducing the #Keepcalm it the Audit process.

MGI Bass Gordon GHF Chartered Accountants came on board as sponsors of the project and sponsored tablets, shopping vouchers and coffee vouchers and goodie hampers for the best video and best photo as well as weekly prizes. The best video and best photo prizes were determined by a panel of judges. As an added bonus various spot prizes were also given to students to thank them for all the effort that went into making the videos and taking the photos.

The category winners were:

Category	Winners
Best audit risk award	Jolizna Carstens, Elsa Kleynhans, Dillion Siebert, Adriaan Schmulian
Best substantive procedures	Ashton Kölle, Vernleigh Moodien, Jaryd Daniels, Kyle Hatton, Jason Cyster
Best cash count	Lizl Carse, Adriaan Booysen, Chanè Bredenkamp, Helen Denny, Shaen Mare, Nicolette Van der Walt
Best access controls	Mia Anje Smit, Tamar Brand, William Keet, Lecia Lourens, Gretchen Collins
Best inventory count	Malikah Arend, Monique Messina, Yolisa Ngamlana, Megan Stone, Bianca Davids
Best data CAATS	Lungile Tshabalala, Samantha Kock, Jami-Ross Siebritz
Best wage pay-out	Jared Hankey, Keith Smook, Ashante Chinyowa and Hamidah Davids
Best fixed asset verification award	Lucian Forbes, Jaclyn Nakoo, Lucille Petersen, Loran-Kay Andrews

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Ons is 'n medium grootte firma wat gestig is in 1952 en ons is gevestig in Caledon in die Overberg. Die firma bestaan uit drie vennote, Barné du Toit, Barend Kotzé en Tonie Linde wat ondersteun word deur drie toegewyde bestuurders wat gekwalifiseerde geoktrooieerde rekenmeesters is en meer as 30 professionele personeellede waarvan 21 leerlingrekenmeesters is.

Ons is altyd op die uitkyk na gemotiveerde, betroubare, entoesiastiese en ambisieuse leerlingrekenmeesters en beskik tans oor SAICA en SAIPA poste vir 2017. Ons bied groei en vordering aan deur individuele aandag vir elkeen wat by bdk Ouditeure se span aansluit. Jy sal ook baie goeie ondervinding in die professionele besigheid en sakewêreld opdoen.

Indien jy belangstel in SAICA of SAIPA klerkskap, kontak ons gerus by 028-212 1154 of barend@bdkauditors.co.za



The winners in the best video category

The best video prize was won by Michael Kater, Chanté Janse van Vuuren, David de Ponte, Darren Hendricks and Storm Akom, with runner-up for the video being Matthew Williams, Moegmat Davids, Jaden Flagg, and Courtney Arthur.

The best photo prize was won by Natasha Brengovts, Bianca Brengovits, Michelle Wegener and Kiara Bell. The runner-up photo prize was given to Romy Miller, Aletta Botha, Cassidy Morland and Nicol Brand.

During the course of the project, students were also encouraged to contribute food items. These items were distributed to Shiloh Synergy, a group of projects with the aim of uplifting underprivileged communities in the Western Cape.



The photo that won the best photo category

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Stellenbosch Thuthuka Society

Thuthuka is a transformation initiative of the South African Institute of Chartered Accountants (SAICA) aimed at encouraging previously disadvantaged learners in schools to pursue a career in the Chartered Accountancy (CA) field. The Thuthuka Bursary Fund is aimed at increasing the number of African and coloured students in this field of Financial Accounting and improving the pass rates by means of financial and other support.

The Stellenbosch Thuthuka Programme was launched during 2007 and has grown to an established and well recognised programme, with students studying at all levels of study from first year through to Honours. There is currently a total of 102 students enrolled in the programme at Stellenbosch University. These BAcc students receive a comprehensive range of academic and non-academic support from the Stellenbosch Thuthuka Programme and take part in various interactive life-skills and workplace readiness workshops. Each Thuthuka student is also expected to do vacation work as well as participate in a community service project.

Activities and projects

The group was awarded the chance to apply their leadership, initiative and creativity and showcase their cooking skills in the MasterChef Thuthuka potjiekos competition. As part of their community service, the Thuthuka students choose to support two organisations, namely the Jessie Keet Child Care facility Idas Valley and Die Ark, a Christian organisation that provides refuge for homeless people.

The first-year and second-year Thuthuka students visited Jessie Keet, where they handed out sandwiches, donated food items and played with the children. A fundraising for money for the sandwiches as well as non-perishable food items were done in class beforehand.



The third and Honours Thuthuka group visited Die Ark, where they spent the day interacting with its residents. A Domino and Checkers championship took place, while refreshments were served to the participants.



A detailed description of the Stellenbosch Thuthuka program is available at <http://www.sun.ac.za/english/faculty/economy/accounting/programmes/thuthuka-bursary-programme>. Alternatively visit the news page: <http://www.sun.ac.za/english/faculty/economy/accounting/programmes/thuthuka-bursary-programme/thuthuka-news> or follow Thuthuka on Facebook - Thuthuka@maties.

Thuthuka project team and leadership



The Thuthuka project team at Stellenbosch University: Gail Fortuin, Sybil Smit, Amber de Laan and Michilene Meyer



*The 2016 group leaders
Gavral Speelman, Danielle Swartz, Kristen Brown, Leighton Meyer, Timwen Hendricks and Matthew Williams*



Sizwe Nkosana, Chair of National Student Financial Aid Scheme (NSFAS), was the guest speaker at a meeting of the 2016 leaders, while Jo-Ann Strauss, a SU Business School board member, entrepreneur and former Miss SA, was the guest speaker at the first meeting of the 2017 group leaders.

Guest speaker Sizwe Nkosana



The 2017 group leaders together with guest speaker Jo-Ann Strauss. Cee-Jay Plaatjies, Shanice Cyster, Lungelo Ngobese, Jo-Ann Strauss, Carlo Arenz, Ashly Martin and Levi Lombard

The Thuthuka experience

Each Thuthuka student has a special story to tell. Here are what some Thuthuka bursary fund recipients had to say about their Thuthuka experience.



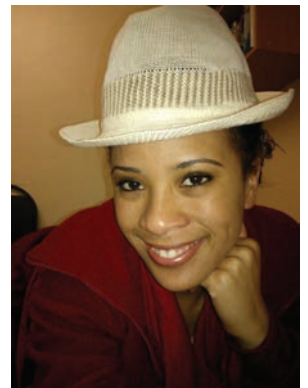
For Tori Minnaar, a first-year BAcc student, the Thuthuka Bursary came just at the right time to ensure that she could continue her education. Although Tori was originally a Maties Sports Bursary holder, due to a sport injury she sustained, a subsequent operation and the risk and fear of being injured again, she was unable to continue playing hockey at this level. She was devastated – until Thuthuka came to her rescue. "Thuthuka is not only an educational support system, with extra classes and help from lectures. They are also an emotional support system, with people that will gladly listen to your problems and help you out. Thuthuka provides you with access to so many opportunities; from courses that develop you as a person to speeches from well-known CEO's, opportunities that will only benefit you. Thuthuka really strives to allow you to be the BEST you can be, and for that I say: Thank you, Thuthuka!"

An second-year BAacc student, who prefers to remain anonymous, wrote the following about the support received from the Thuthuka team: "The first few days in Stellenbosch were very overwhelming for me, seeing as I was miles away from home and my mum had just left a couple of days ago. I thought I had no one to depend on the time and it was very reassuring to discover that I actually did have people that cared, not only about the fact that I passed but also, about my holistic well-being. Academically the support was amazing because we got motivation at exactly the right times and, as students, I feel we constantly need to be reminded why we do what we do and Thuthuka constantly did that. When it's crunch time, it's crunch time and we're constantly pushed to work hard and achieve the best that we can and I can truly say I did that and will continue to with the support and help of Thuthuka!"



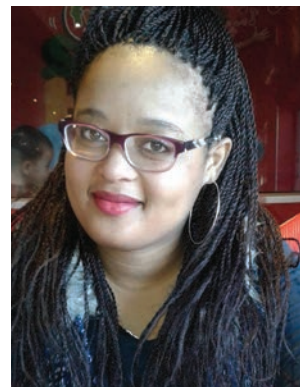
Du-Wayne Slamet, also a first-year BAcc student, feels that the Thuthuka Bursary opens doors and provides opportunities and support in numerous ways. "Financial, because it is a bursary which covers many expenses. This allows a benefactor to make use of all available resources without money ever being a constraint. Academic, because extra opportunities to learn and study are created that are not available to other students. For example special Thuthuka study sessions and compulsory meetings with lecturers if marks are unsatisfactory. Social, in two ways: personal and in the community. Personal: Each Thuthukan is assigned a lecturer as a mentor. We can share our troubles, experiences or even funny stories with our mentor. Our mentors give advice and guidance when needed. Thuthuka also helps us develop as members of the community through its many community projects. After taking the above into account, one cannot believe that one bursary can offer so much support. Thuthuka is your mother that forces you to eat your vegetables, your father with the wallet, your grandmother with advice, and your mentor. And your fellow Thuthukans are a special group of friends that you can bank on."

Courtney Apollis, a BAccHons student, feels that Thuthuka has provided her with a platform to shine and be successful. "Thuthuka is more than just a bursary programme. They don't just pay for my studies and then sit back and wait for satisfactory results at the end of the academic year. On the contrary, Thuthuka makes the journey with me making sure I get to the end in one piece. They are not just interested in my academic performance but also in my overall wellbeing. When I leave Stellenbosch I will be a well-rounded individual and Thuthuka is partly to thank for that. If I never had the bursary I would not have been able to live on campus and would have had an entire different university experience. This year has been one of my best academic performing years. I have received the School of Accountancy's award for BAcc Honours Student Who showed the Best Progress for this year. Thuthuka saw potential in me and gave me the platform to shine."



Kristin Brown, a third-year BAcc student, feels that the Thuthuka bursary fund is aptly named. "The word 'Thuthuka', translated from Zulu, means 'grow'. What a suitable name for this bursary fund, which has enabled me to do just that, and more. The process of studying for a degree is daunting and by no means easy, but Thuthuka has held my hand along this journey from day one. I did not realise what a blessing this bursary would be until I arrived in Stellenbosch. How fortunate am I that my single mother has not had to pay a cent toward my tertiary education, who herself did not have the opportunity to further her studies after high school? Besides the financial relief Thuthuka provides, I've received a wealth of knowledge, owing to the extra classes and study sessions offered by the bursary. I also had the opportunity to improve my social and group work skills when I was a group leader of the bursary society. Thuthuka has taught me the importance of hard work, perseverance and giving back, and that a balanced lifestyle is vital to achieving success, which is what Thuthuka aspires to do, as noted in their slogan "inspiring success". Three years after the day I arrived in Stellenbosch, I can proudly say that I have grown not only intellectually, but holistically, and there simply aren't enough words to convey my gratitude to this special initiative called Thuthuka."

Kaylin Tiemie is 'n tweedejaar BRek-student, wat ten spyte van twee baie moeilike jare, steeds uitstyg bo haar omstandighede. Volgens haar is die Thuthuka Beursfonds die rede waarom sy die geleentheid het om te kan studeer. "Die feit dat hulle my befondsing gee daarvoor is ek dankbaar, maar die projekbestuurders is soos jou ouers weg van die huis af. Hierdie jaar was my pa, 'n kankerlyer, so erg siek en hy het afgesterf vroeg in die jaar en hulle was altyd daar vir my en omgee en was altyd daar om mee te gesels asook huil. As ek vir 'n matrikulant moet vertel van Thuthuka sal ek net drie woorde sê: 'liefde, omgee, bystand'. Thuthuka het verskillende programme in plek om ons te help groei, beter te studeer asook om ander te help."





Danielle Swartz, who is currently a third-year BAcc student, is very thankful for all the support and personal growth opportunities that the fund has brought to her. "Coming from a single parent family, it has always been my mom's main priority to give my siblings and me the best possible education. In 2013 I was given a gift; this was an opportunity to be educated at the University of Stellenbosch, where I was to complete my Bachelor of Accounting degree. I am so grateful and proud to be a recipient of the bursary, not only because of the financial assistance, but because of the steadfast support system and encouragement I've been given over the past three years. Thuthuka has helped me grow as a balanced individual and shaped my leadership qualities, resulting in my election as a group leader in 2015. I was given responsibilities, and gained a level of confidence and self-respect which I do not believe I would have gained elsewhere. Thuthuka has instilled in me a work ethic which has been reflected in my studies and would further reflect in my career in future. The quality of support and education that we receive is of a high standard, creating endless opportunities for us students."

Timwen Hendricks, a BAccHons student, feels that the four years' support by the Thuthuka Bursary Fund has been a privilege and a blessing. He also served on the Stellenbosch University Thuthuka Committee in 2015 and feels that the involvement of the Thuthuka project team is a great contributor to the success of the fund. "Thuthuka is everything. It is life. It is the fundamental organ of my success. I would not have been able to receive a remarkable four-year academic journey, had I not been on TBF. Being a CA student at SU is an honour, but being a Thuthuka student is a privilege. I believe that altogether the academic support, compulsory personal development activities and the Thuthuka Society make this the best CA bursary in South Africa. A return on investment as well as capital growth thereof is of great importance to investors. Thus, the investment which TBF has made in me was worth it. Therefore, I would like to take the opportunity to thank TBF for their invaluable contribution to my success. I might not be able to repay everything they did for me, but I will continue to grow and strive to be the one of the best TBF products in the CA profession."



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Responding to Non-Compliance with Laws and Regulations (NOCLAR)

The International Ethics and Standards Board (IESBA) released the Non-Compliance with Laws and Regulations (NOCLAR) standard after six years of development, including the issue of two Exposure Drafts and three global roundtables. This standard provides a framework for Auditors and Chartered Accountants for actions to be taken when they become aware of illegal acts, known as non-compliance of laws and regulations, or NOCLAR committed by clients or employers. The aim of the new standard is to reinforce the public interest role of the Chartered Accountant (whether in business or public practice) in protecting stakeholders and public interest from harm of breaches of laws and regulations. The standard was issued in July 2016 and will become effective 15 July 2017. Early compliance is however permitted.

What constitutes a NOCLAR?

A NOCLAR is any act or omission, intentional or unintentional, committed by a client or an employer or those charged with governance, by management or other individuals working for or under the direction of a client or employer, which is contrary to the prevailing laws or regulations. The laws and regulations that are applicable at a particular client are all laws and regulations which affects material amounts and disclosures in financial statements and any other laws and regulations which are fundamental to entity's business. The NOCLAR response lifts the normal confidentiality requirements in the SAICA and IRBA Code of Professional Conduct.

What is required of an Auditor of a company if a NOCLAR or suspected NOCLAR is picked up while performing an audit?

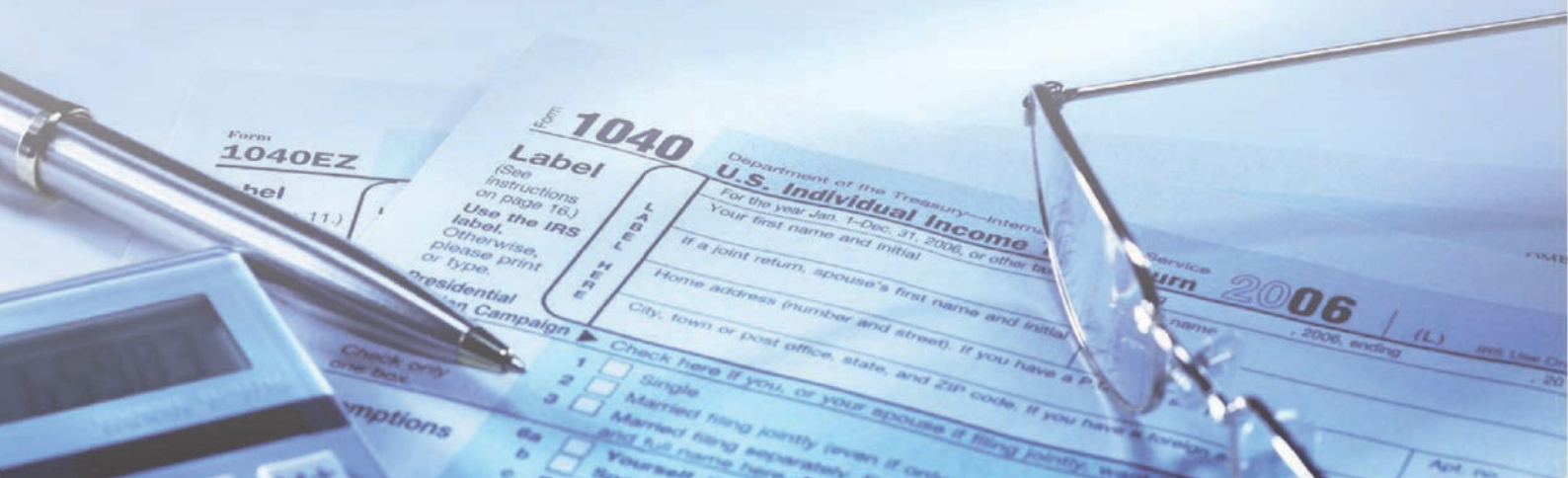
The identified or suspected NOCLAR needs to be raised with the management of the company being audited in order to clarify the auditor's understanding of the matter and to advise management to address the consequences, or to deter the NOCLAR. The matter then needs to be disclosed to the appropriate authority.

The professional responsibilities the auditor needs to fulfil is to understand and comply with laws and regulations including reporting to the appropriate authorities and prohibitions against tipping off. The auditor needs to determine if further action is required by assessing the appropriateness of the response received of management and determine objectively if further action is needed in public interest.

The nature and extent of further action will depend on credible evidence of substantial harm to the entity or stakeholders and any law prohibiting disclosure of confidential information. Courses of further action may include disclosing the matter to an appropriate authority and withdrawing from the engagement or client relationships. If the auditor withdraws from the client, the successor auditor needs to be informed of the NOCLAR. In exceptional circumstances the auditor may immediately disclose the matter to the appropriate authority if imminent breach may cause substantial harm to stakeholders.

What is required from other CAs in Public Practice, other than auditors?

If a CA providing services to a client other than auditing services, picks up a NOCLAR, he or she needs to discuss the identified or suspected NOCLAR with management. If the client is also an audit client of the firm or network firm also communicate the matter with the engagement partner. For other clients, consider communicating the matter to the external auditing firm. Consider whether further action is required to act in public interest. Further action may include disclosing the matter to the appropriate authority and withdrawing from the engagement and client relationship. In exceptional circumstances the senior CA may immediately disclose the matter to the appropriate authority if imminent breach may cause substantial harm to stakeholders.



What is required from *Senior CA's* in Business?

Senior CA's, typically in a management position, are required to set the right tone at the top of complying with laws and regulations and to establish appropriate policies and procedures to prevent NOCLAR.

If a senior CA in business picks up a NOCLAR, he or she needs to raise the identified or suspected NOCLAR with management. He or she also needs to understand and comply with laws and regulations including reporting to the appropriate authorities and prohibitions against tipping off, rectify, remediate or mitigate consequences, reduce the risk of re-occurrence and seek to deter the NOCLAR. He or she also needs to determine if disclosure is needed to the external auditor.

The senior CA in business needs to determine if further action is required by assessing the appropriateness of the response received by management. In light of the response of superiors determine objectively if further action is needed in public interest. The nature and extent of further action depend on credible evidence of substantial harm to the entity or stakeholders. And if any law is applicable that prohibits the disclosure of confidential information.

Courses of further action will include informing management of the parent company in case of a group of companies, disclosing the matter to an appropriate authority and resigning from employment relationship. In exceptional circumstances the senior CA may immediately disclose the matter to the appropriate authority if imminent breach may cause substantial harm to stakeholders.

What is required from *CAs in Business* who are *not senior CAs*?

If A CA in business picks a NOCLAR up, he or she needs to escalate the identified or suspected NOCLAR to immediate superior or higher level of authority or use the internal whistle blowing mechanisms.

This article was written by Henriëtte Scholtz, an Auditing lecturer at the School of Accountancy.

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PERSONEELAANGELEENTHEDE

Nuwe Personeel

Die volgende personeellede het gedurende die jaar by die Skool vir Rekeningkunde aangesluit.



Remerta Basson



Riyaan Davids



Ilze Mey



Marlene Oosthuizen



Cara Thiar



Petra Warffemius



Tanya Cairncross
(Administratiewe beampte)



Graven Esau
(Administratiewe beampte)



Edgar Rinqest
(Administratiewe beampte)



Die Akademiese klerke

Voor: Andre Retief, Hamman Schoonwinkel, Jacobus Louw,
Conrad van Zyl, Darryl Murry en Michael Kok
Agter: Carli Smit en Lauré Kritzinger

REKNUUSREDAKSIE 2016

Rika Butler Michelle de Bruyn

Reknuus-kontakbesonderhede: e-pos: rbutler@sun.ac.za telefonies: (021) 808 3703

Kontak gerus die RekNuus indien:

- Uself of iemand wat u ken graag in die toekoms 'n kopie van die RekNuus wil ontvang;
- U weet van enige persoon of instansie wat belangstel om by die borgskap van die RekNuus betrokke te raak.

Personeellede wat die Skool se diens verlaat het

- Prof. Wilna Bruwer het die Skool se diens na 23 jaar, waartydens sy Bestuursrekeningkunde doseer het, verlaat. Sy en haar gesin het verhuis en woon nou in Port Elizabeth, waar sy haar twee seuns van 8 jaar en amper 7 jaar grootmaak en saam met hulle leer van huisie- en treintjie somme. Wilna sê dit is 'n groter uitdaging as om kontantvloei te verduidelik!
- Juan Ontong het in Januarie 2015 by die Skool vir Rekeningkunde aangesluit, en hy was 'n dosent in Ouditkunde. Hy is tans werksaam by Deloitte LLP in die Verenigde Koninkryk.
- Annali Maass was vir bykans 17 jaar werksaam by die Skool vir Rekeningkunde, waar sy die rol as Senior Departementele Beampte/PA vervul het. Sy is tans 'n Nagraadse Koördineerder by die Departement Ondernemingsbestuur aan Stellenbosch Universiteit.
- Nadia Bauer, wie die vak Belasting doseer het, het in Januarie 2015 by die Skool vir Rekeningkunde aangesluit. Nadia het teruggetrek Pretoria toe en sy werk tans op 'n kontrakbasis as assistent finansiële bestuurder by Monash Suid-Afrika.
- Marchelle Tony het vir 4 jaar 'n rol as Administratiewe Beampte by die Skool vir Rekeningkunde vervul. Sy is tans werksaam by RMB as 'n Forensiese Analis, in Kaapstad.
- Henry Jacobs het ná meer as 40 jaar ononderbroke diens as Administratiewe Assistent, afgetree. Hy is egter steeds beskikbaar en bereid om uit te help tydens toetsreekse en eksamens.

Personeellede van die Skool gradueer



Daar is deurlopend personeellede van die Skool vir Rekeningkunde wat hulself deur verdere studies in hul bepaalde vakgebiede beter bekwaam. Die personeellede van die Skool wat gedurende die afgelope jaar gegradueer het, verskyn op die foto.

Jana van Wyk en Arthur Bishop het beide hul MComm (Rekenaarouditering) grade aan Stellenbosch Universiteit verwerf

DIE REDAKSIE VAN DIE REKNUUS BEDANK GRAAG DIE VOLGENDE INSTANSIES EN PERSONE VIR HULLE BYDRAES:

- EY, Mazars, Moore Stephens, SAICA, SAIPA, Baker Tilly Greenwoods, Bass Gordon, BDK Ouditeure, BGR Ouditeure, Deloitte, Exceed, KPMG, LdP, PWC, PKF Rademeyer Wesson, SDK Geoktrooieerde Rekenmeesters, Smith & Associate Ingelyf, ASL en Little Lig Bookstore wat die publikasie moontlik gemaak het deur middel van borgskappe;
- Gillian Strydom, Kim Daniels en Maudrie Claasen vir hulle hulp met borgskappe, administratiewe bystand en verspreiding;
- Wilmarie Grobbelaar vir die proeflees;
- Alle personeellede van die Skool wat inligting verskaf het;
- SUN MeDIA;
- Prof. Pierre Olivier in sy hoedanigheid as Direkteur van die Skool vir Rekeningkunde.

Navorsing deur en ander betrokkenheid van personeel



Petro Gerber

Petro Gerber wrote an article titled "Achieving IT governance of social media at strategic and operational levels" that was published in Volume 15(4) of the *International Business & Economics Research Journal*. Social media offers great opportunities for businesses, and the use thereof will increase competitiveness. However, social media also introduces significant risks to those who adopt it. This study was undertaken to identify incremental risks resulting from the adoption of social media by businesses and to develop an integrated Information Technology (IT) governance control framework to address these risks. In order to overcome the IT gap, these risks are addressed both at strategic and operational levels. With the help of the processes in Control Objectives for Information Technology and Related Technology (COBIT) 5, this study provides safeguards or controls that can be implemented to address the IT-risks that social media introduces to a business. A business can ensure that it successfully governs the IT-related risks at a strategic level through the implementation of the safeguards and controls identified from COBIT 5. This study also briefly discusses the steps that a business can follow to ensure IT-related risks, at an operational level, are addressed through the implementation of configuration controls.



Marise Vermeulen

Marise Vermeulen published an article titled "Fundamental factors influencing returns of shares listed on the Johannesburg Stock Exchange in South Africa" in Volume 9(2) of the *Journal of Economic and Financial Sciences (JEF)*. This study investigates the relationship between share returns and nine variables that have proven to influence returns in previous literature using a multiple regression analysis. These variables are size, leverage, book-to-market ratios, earnings yield, dividend pay-out, earnings growth, return on equity, earnings per share and asset growth. The impact of some of the variables on share returns proved to be insignificant, and some co-linearity was identified between some of the variables. However, three significant variables were identified and the final regression model included the book-to-market ratio, dividend pay-out and leverage as the explanatory variables.



Ellané van Wyk

As part of her primary research for her PhD, Ellané van Wyk published an article titled "Environmental policy integration in terms of section 37D of the Income Tax Act 58 of 1962" in Volume 8(3) of the *Journal of Economic and Financial Sciences (JEF)*. Environmental policy integration is essential in achieving environmental sustainability goals across non-environmental sectors. Dilution of environmental goals in environmental policy integration should be avoided. The conservation tax incentive of the repealed section 37C(5) read with section 18A of the Income Tax Act 58 of 1962, replaced by section 37D, represents environmental policy integration in tax legislation. The study primarily aimed to determine whether the replacement will benefit contracted landowners, using historical comparative methodology. Secondly, a historical review of literature on environmental policy integration and alternative incentives for private conservation efforts was performed. Although contracted landowners might obtain a smaller tax benefit annually, they will receive the same total tax benefit over the entire period of the deduction. They will have certainty regarding their annual tax benefit. As certainty is preferred by most landowners, the study concluded that dilution of environmental policy integration goals will not result from the amended legislation.

Ellané also co-authored an article with her sister, Margott Terblanche. Their article titled "Section 12M contributions in terms of the Income Tax Act 58 of 1962 – normal tax implications for the retired employee" was published in the *South African Journal of Accounting Research (SAJAR)*. Section 12M of the Income Tax Act 58 of 1962 allows a normal tax deduction for employers who pay the post-retirement medical contributions by way of lump sum payments on behalf of retired employees. Although a full deduction is granted to the employer for a contribution in terms of section 12M, an area of uncertainty has been identified by the author. This area of uncertainty involves the income tax implications for the retired employee upon receipt of such contribution or upon receipt of a benefit regarding such contribution from the former employer. Possible tax implications were considered in terms of paragraphs (a), (c), (d), (f) and (i) of the gross income definition, as well as in terms of paragraphs 2(i) read with 12A of the Seventh Schedule to the Act. A number of binding class rulings and one binding private ruling published by SARS were investigated, supported by a scrutiny of the relevant provisions of the Act. It is concluded that a contribution in terms of section 12M(2)(b) will be regarded as a fringe benefit in terms of paragraph 2(i) read with paragraph 12A of the Seventh Schedule to the Act, whilst a section 12M(2)(a) contribution might be a paragraph (c) paragraph (d) or paragraph (f) inclusion in gross income. The latter two might qualify as severance benefits. Lastly, the employee will be entitled to a section 6A(2)(a) medical scheme fees tax credit should the amount be applied for medical contributions.

Furthermore Ellané co-authored an article titled "The scope and levying of interest subject to the withholding tax in terms of sections 50A – 50H of the Income Tax Act 58 of 1962" that appeared in the *South African Journal of Accounting Research (SAJAR)* with Cara Thiar. A withholding tax on interest is levied in terms of sections 50A to 50H of the Income Tax Act 58 of 1962 (as amended) and is effective from 1 March 2015. In this study, certain areas of concern were identified regarding the scope of interest subject to withholding tax and the timing of the levying of the withholding tax. A secondary concern involved the application of section 23M of the Act. A literature review of the theoretical basis for the taxation of interest was undertaken. Relevant terms and phrases; other sections of the Act which might affect, or be affected by the application of the withholding tax on interest provisions; South African case law; international case law and the Model Tax Convention of the Organisation of Economic Cooperation and Development were analysed. Based on the findings, it is recommended that the provisions of section 50A to 50H of the Act be amended or extended to include a definition of interest subject to withholding tax and that section 50D(3) of the Act be amended to allow for interest paid in the form of an annuity to be exempt from withholding tax or for interest subject to withholding tax to be exempt from normal tax. Finally, the alignment of the wording of section 50D(3)(a) and section 10(1)(h)(i) of the Act is also recommended in order to remove contradictions in the accrual and payment of interest and to prevent the potential non-taxation of interest income.



Cara Thiar

Cara also published an article titled "A critical analysis of 'received by or accrued to' as contemplated in the 'gross income' definition in section 1 of the Income Tax Act with reference to the Consumer Protection Act" in the *South African Journal of Accounting Research (SAJAR)*. The introduction of the Consumer Protection Act 68 of 2008 has had significant implications for the South African commercial arena. This Act forms part of government regulation and is aimed at protecting the rights of consumers. Not only does the Consumer Protection Act 68 of 2008 have a significant impact on the manner in which parties conduct business; it also affects the accounting and taxation treatment of amounts that fall within the scope of the Act. This article investigated the effect of the provisions contained in section 62 to section 65 of the Consumer Protection Act 68 of 2008 on the tax implications of certain amounts. These amounts include lay-bys, prepaid certificates, credits, vouchers and deposits (prepaid amounts). Particular attention was given to the meaning of receipts and accruals within the definition of gross income in section 1 of the Income Tax Act 58 of 1962, and the effect of section 62 to section 65 of the Consumer Protection Act 68 of 2008 on this Act. A literature review of the relevant legislation, terms used therein, and further applicable literature was undertaken. The study concluded with three recommendations in order to align the different items of legislation. The first is to extend section 65 of the Consumer Protection Act 68 of 2008 to include the requirements that must be met to prove that a supplier adheres to the fiduciary duty imposed on it by the Consumer Protection Act 68 of 2008. The South African Revenue Service must consider an amendment to the gross income definition, or specific legislation to this effect. Alternatively, the South African Revenue Service must provide the supplier with its view on and interpretation of section 62 to section 65 of the Consumer Protection Act 68 of 2008 and the applicability thereof on the definition of gross income, as contained in section 1 of the Income Tax Act 58 of 1962.

Mareli Dippenaar published an article titled "Financial reporting disclosures: cutting the clutter" in the April 2016 edition of *Accountancy SA*. The International Accounting Standards Board (IASB) has found that financial statements contain too much irrelevant information owing to the poor application of the concept of materiality and the lack of appropriate judgement. The Conceptual Framework for Financial Reporting states that 'information is material if omitting it or misstating it could influence decisions that users make on the basis of financial information about a specific reporting entity.' However, applying this concept of materiality requires judgement and up to now there has been a lack of guidance in this regard. The IASB is undertaking a broad-based initiative to explore how disclosures in IFRS financial statements can be improved. This disclosure initiative consists of a portfolio of projects, one of which is a research project on materiality, to consider how materiality is applied in practice in IFRS financial statements and disclosures. In order to assist preparers of financial statements to determine whether information is material, the IASB published draft guidance, in the form of an exposure draft of an IFRS Practice Statement, *Application of Materiality to Financial Statements*, to obtain feedback from parties with an interest in financial reporting. Once published in its final form, the practice statement should assist preparers in improving the overall quality and effectiveness of their disclosures, by removing uninformative wording. It discusses the characteristics of materiality, provides guidance on applying the concept of materiality to the presentation and disclosure of information, includes guidance to assess whether omissions and misstatements of information are material to the financial statements and provides limited guidance regarding the application of materiality to the recognition and measurement requirements of standards.



Mareli Dippenaar



Prof. Linda van Zyl

Prof. Linda van Zyl co-authored an article titled "Relevant factors for the suspension of disputed tax – a comparative analysis" with Danielle van Wyk. Their article appeared in Volume 9(2) of the *Journal for Economic and Financial Sciences (JEF)*. Section 164(3) of the Tax Administration Act No. 28 of 2011 gives a senior SARS official the discretion to suspend the payment of disputed tax or a portion thereof, having regard to relevant factors. Limited guidance is available in this regard. The objectives are to establish the concerns and uncertainties regarding the relevant factors and to determine whether a 'suspension of the payment of disputed tax' in terms of section 164(3) constitutes the granting of 'credit' in terms of a 'credit agreement' in terms of the National Credit Act, Act No. 34 of 2005. This is achieved by adopting an explanatory research approach and performing a literature review and comparative analysis respectively. The conclusion is reached that the current factors listed are not necessarily the most relevant ones. Recommendations are made to simplify the process and to revise and improve the wording regarding the relevant factors.



Henriëtte Scholtz

Henriëtte Scholtz co-authored an article titled "The level and stability of institutional ownership and its influence on company performance in South Africa" with Waldette Engelbrecht, which was published in *Corporate Ownership and Control* Volume 13. This article examined institutional ownership in companies as an important tool in monitoring and controlling the business interests of the shareholders. Further it was investigated whether the performance of the Top 100 companies listed on the Johannesburg Securities Exchange is influenced by the level, and stability of institutional ownership. A regression analysis was used to test the relationship between Tobin's Q and return on assets and the international, domestic and total institutional ownership and the stability of institutional shareholding. It was found that institutional shareholding is an important corporate governance factor to improve firm value. International institutional shareholding has an effect on future firm value, whilst domestic institutional, total institutional shareholding and the stability of total institutional shareholding has an effect on historical firm value.



Waldette Engelbrecht

During the process of compiling the new Revenue Standard (IFRS 15), the International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) issued Exposure Draft ED/2011/6 *Revenue from Contracts with Customers*. In response to the ED/2011/6, the FASB and IASB received numerous concerns from credit card rewards programmes. Despite concerns raised, the Boards decided against providing any additional guidance to credit card rewards programmes and indicated that they leave it up to management's judgement to determine how to account for these transactions. These unanswered questions and grey area within IFRS 15 led Sophia Brink to write a three part article on the topic of the accounting treatment of credit card rewards programme transactions.



Sophia Brink

Sophia's first article titled "The Accounting treatment of credit card rewards programmes Part I", which was published in the *Journal of Economic & Financial Sciences (JEF)*, dealt with the main concern raised by respondents, namely whether or whether not a credit card rewards programme transactions fall within the scope of IFRS 15 or not. The scope of IFRS 15 (paragraph 6) states that an entity will apply IFRS 15 to a contract only if the counterparty to the contract is a customer. Therefore, in a credit card rewards programme transaction, the customer in relation to the card issuer determines whether or not the transaction falls within the scope of IFRS 15 or not. There are two alternatives and both have merit and can be considered as correct: 1) Identifying the merchant as the card issuer's customer for the interchange service (causing the transaction to fall outside the scope of IFRS 15) and 2) Identifying the cardholder as the card issuer's customer for the interchange service (causing the transaction to fall within the scope of IFRS 15). It is therefore possible, based on management's view, that some credit card rewards programmes fall within the scope of IFRS 15 and some outside the scope. A survey was circulated to all credit card rewards programmes in South Africa to determine their perspective on the issue. The majority of South African credit card rewards programmes identified both the merchant (being provided of a service of greater access to potential customers) and the cardholder (being provided with a service of electronically transferring cash) as the customers for the interchange fee. Brink therefore recommended, as an industry practice, that all South African credit card rewards programmes allocate a part of the interchange fee to the award credits granted (under IFRS 15) and recognise a cost for the remaining part of the award credits granted. This will ensure consistent accounting treatment and meet one of the enhancing qualitative characteristics of financial information in terms of the Conceptual Framework for Financial Reporting.

The second article, which was published in the *Journal of Economic & Financial Sciences (JEF)*, was titled "The Accounting treatment of credit card rewards programmes Part II" and considered why credit card rewards programmes currently account for these transactions differently if the scope of IFRIC 13 clearly includes credit card rewards programme transactions in its scope. Some credit card rewards programmes account for award credits under the revenue deferral model (IFRIC 13), some account for the cost of

satisfying the award credits as and when the customer earns them by recognising a provision (in terms of IAS 37) and related expense, and others recognise the cost of award credits as an offset to merchant interchange fee income when award credits are granted, and record a corresponding liability in terms of IAS 37. These diverged practices caused Brink to question the accuracy of the current guidance provided in IFRIC 13 to credit card rewards programmes; otherwise what would the reason be behind credit card rewards programmes accounting for these transactions differently. Brink points out the differences between a credit card rewards programme and a typical customer loyalty programme and highlights the differences that indicate that credit card rewards programmes should perhaps be treated differently for accounting purposes.

Sophia's third article, titled "The Accounting treatment of credit card rewards programmes Part III" will also be published in the *Journal of Economic & Financial Sciences* (JEF). In a credit card rewards programme transaction the cardholder receives financing for the credit purchase transaction in terms of which interest is charged by the financial institution. The credit card rewards programme grants award credits for all qualifying spends on the credit card. The member is awarded for the payment mechanism and for using the financial institution's services, namely the provision of financing. Taking into account the primary purpose of credit card issuers it can be argued that the incentive behind a credit card rewards programme is to ensure a higher interest income. If this is the case then the interest income (and not the merchant interchange fee) is the revenue stream from the initial sales transaction that needs to be allocated to the goods or services sold and the award credits granted. Even though IFRIC 13 identified the merchant interchange fee as the revenue stream from the initial sales transaction in a credit card rewards programme that needs to be allocated to the goods or services sold and the award credits granted, Brink found that the interest income being the rationale behind the rewards programme is the relevant revenue stream to consider. If the interest income (and not the interchange fee) is identified as the relevant revenue stream in a credit card rewards programme transaction the interest (together with the credit card loan) will be accounted for as a financial asset at amortised cost in terms of IFRS 9 Financial instruments and therefore falls outside the scope of IFRIC 13 and IFRS 15.

Sophia also presented her research on this topic at the *Third European Academic Research Conference on Global Business, Economics, Finance and Banking* in Paris, France during July 2016.

Prof. Soon Nel wrote an article titled "An analyst's guide to sector-specific optimal peer group variables and multiples in the South African market", which appeared in the January 2016 issue of the journal *Economics, Management, and Financial Markets*. The evidence from this paper suggests that the superior valuation performance of multiples whose peer groups were based on a combination of valuation fundamentals, as suggested in the finance literature, does not hold on a per sector basis. In fact, each of the 28 sectors covered in this study exhibited a different optimal peer group variable. It was also established which multiples, the construction of which was based on an optimal peer group variable, performed the most accurate equity valuations in each of the 28 sectors in the South African market. Subsequently, a sector value chain was created, which ranked each of the 16 multiples according to the valuation precision they exhibited in each of the 28 sectors. The sector value chain, which reflects substantial potential precision gains, ranging from 43.27% to 218.33%, also presents a synopsis of the sector-specific optimal peer group variables to be used in each of the 28 sectors, and provides an empirical guide to analysts in this respect.



Prof. Soon Nel

Soon also presented a paper titled "A South African perspective on the market-based approach to valuations: Why are company multiples so popular?" at a *Doctoral Research Conference in Business Studies and Management Sciences* in Zürich, Switzerland during July 2016. The presentation focused on the proper distinction between company and equity multiples, which is often discarded by analysts when employing a market approach for equity valuation purposes. This phenomenon can partly be attributed to the fact that there is scant empirical guidance on the proper construction of company and equity multiples in emerging markets. In addition, the design of the empirical studies contained in the emerging market literature is typically biased in favour of company multiples. Consequently, this study's empirical design was anchored on equity-based value drivers. The results confirmed that equity multiples outperform company multiples in terms of valuation precision, regardless of construction bias. The results indicate that the potential increase in valuation precision offered when employing equity multiples instead of company multiples is as much as 41%, which is substantial. Soon is in the process of finalising this presentation for publication in an accredited international journal.



Eloise de Jager

Eloise de Jager co-authored an article titled "Lecturers' professional identity: The case of chartered accountants in academia" with EM Bitzer. Their article appeared in Volume 30(4) of the *South African Journal of Higher Education*. This study surveyed a number of accounting lecturers at a research-intensive South African university to determine their perceptions and preferences regarding their own professional identity. How university lecturers see and experience their own professional identity is important as such views influence the way they teach, participate in professional learning opportunities and attach value to what they do. The findings indicate that professional identity is not a stable construct, that it is related to personal choices and influenced by a number of contextual factors. The participant group of accounting lecturers indicated their professional identity as primarily being professional lecturers rather than professional chartered accountants, but background variables did not seem to play a significant role in their professional identity formation, nor was role conflict identified as being a major factor. The findings imply that if accounting lectures consider themselves as professional university lecturers rather than professional chartered accountants, excelling as academics and educators would contribute towards excellence in the teaching of accounting. Eloise also presented a paper on the same topic at the 14th Annual International Conference on Accounting which was held in Athens, Greece in July.



Prof. Riaan Rudman

The impact of Information Technology on the accounting profession is pervasive. Most professionals, including accounting professionals, do not realise the full impact. Prof. Riaan Rudman's research interest focuses on the impact of developing technology on business. He co-authored two articles in international accredited journals. The first, "Defining Web 3.0: Opportunities and Risks" published in *The Electronic Library* defined Web 3.0, identified opportunities and highlighted potential challenges associated with Web 3.0 technologies. Web 3.0 entails an integrated Web experience where machines are able to understand and catalogue data in a manner similar to humans. It facilitates a world wide data warehouse where any format of data can be shared and understood by any device over any network. The availability of data and the change in which data can be used gives rise to increasing the pre-existing capabilities of Web services, as well as the creation of new functionalities. The second, "Mobile technology risk management" published in the US based *Journal of Applied Business Research* addressed how to mitigate the risks a business is exposed to when allowing staff to use corporate owned mobile devices. The research was extended to not only include mobile devices owned by corporations, but also personally owned devices. The findings of the research which investigate how to mitigate the risks an corporation is exposed to when allowing employees to use their personal devices for business purposes is currently under consideration for publication in an accredited journal. Riaan, did however present the findings at the *Southern African Accounting Association Western Cape Regional Conference* held in Cape Town on 2 September 2016. The presentation was titled: "Incremental risks associated with BYOD."

As part of the Economic and Management Sciences alumni class day, Prof. Riaan Rudman and Lize-Marie Sahd presented a lecture on the nine technology trends that are expected to have a significant impact on South African businesses in the near future. They also shared their thoughts on how businesses should respond to the challenges that arise from the technologies and how to create value should these technologies be adopted by businesses. Two technologies, which was believed to have a significant impact on modern business all over the world, as well as Africa formed the basis of two popular articles in *Accountancy SA*. Prof. Rudman was also invited to present his thoughts on users' online behaviour at the *Sanlam Internal Audit conference* held in Bellville on 9 June 2016.

Riaan presented his research at various local and international conferences on topics ranging from implementing IT to multiple papers about the lessons learnt from his teaching. Two noteworthy papers "#auditsexy: developing new skills" and "Is post-graduate supervision the black sheep of teaching?" presented at international conferences was awarded Best business paper and Best accounting paper respectively. Riaan co-presented the papers with Natasha Sexton and Lize-Marie Sahd.

Riaan Rudman is currently supervising three students completing their Masters in Computer Auditing researching next generation technologies and co-presenting the course. Riaan Rudman sits on the editorial boards of various local and international accredited journals, and also serves on the organising committee of an international conference. During 2016 he also took on an editorial role of online material for *Oxford University Press*.

Mari Thomas collaborated with Prof. Riaan Rudman and published an article titled "Bitcoin... facilitating an African financial revolution" in the June 2016 edition of *Accountancy SA*. This article includes an overview of Bitcoin as a Virtual currency as well as a couple of benefits for companies, including African countries, excepting Bitcoin as a method of payment. A few challenges that hindered implementation was also provided. Bitcoin is a digital medium of exchange that is acquired, held and traded electronically without any government or bank involvement. Bitcoin was initially designed to facilitate online payments as an alternative to credit card or PayPal payments. Bitcoin is allowing any person, anywhere in the world to send and receive any amount of money, without asking permission from anyone, at minimal costs and almost instantly. Although global acceptance of Bitcoin throughout the broader economy is still in its infancy, it is growing in its acceptance as an alternative method of payment. It has great potential for expansion into Africa and can spark the next African financial revolution.



Mari Thomas

Natasha Sexton has, over the past three years, introduced various experiential learning techniques into the Auditing courses to facilitate core learning principles as well as to assist students' developing pervasive or professional skills. She believes that all innovations that take place in the classroom, must be driven by clear objectives and supported by proper re-evaluation and feedback. To this end, she, in conjunction with Prof. Riaan Rudman and Carla Morris, presented a paper at the *Conference on the Scholarship of Teaching and Learning* regarding feedback from the same group of students who completed two assignments, one in Auditing and one in Management Accounting. The assignments were undertaken, with differing outcomes, natures, lengths and on-line submission platforms. The one was to create a comprehensive business plan to obtain the appropriate funding in future, in Management Accounting that was submitted on the traditional, and the other to identify real world weaknesses in internal controls and the impact in on business, in Auditing using social media. The study revealed that the advantages of using social media, commercialisation and gamification only add value to the students learning process when it aligns to the pervasive skills and content outcomes of the specific assignment.



Natasha Sexton

Natasha is currently completing the research component of her Masters in Computer Auditing. She is investigating an approach that can be used to assist external auditors, who are not information technology specialists, to appropriately address the developments in the information technology landscape within the audit process.

Natasha's area of research has, amongst others, focussed her in the area of the evolution of information technology, including the Internet of Things. Natasha together with Prof. Riaan Rudman thus wrote two articles for *Accountancy SA*. The first article titled "Internet of Things " explains the technology underlying the Internet of Things and the second, titled "Should IoT be scary?", outlines the risks and related controls which entities can apply when using the Internet of Things in their business.

Carla Morris wrote two articles that were published in two different internationally accredited journals. "Developments in the value-added efficiency of South African workers – an exploratory study" was included in Volume 46(4) of the *South African Journal of Business Management*. The paper investigated the value-creating power of the South African workforce over the 10-year period from 2001 to 2011. Value-added efficiency was found to have declined in most South African industries – attributable to an over-emphasis on tangible physical resources; excessive compensation levels imposed by the 'strike' culture in South Africa; poor education and, possibly, to the overall economic decline after the global financial crisis of 2007. The Government's drive for quality education has not translated into better quality workers, and companies are forced to shoulder the cost of additional education and training themselves to further develop the basic skills of their employees.



Carla Morris

The second article, titled "An industry analysis of the power of human capital for corporate performance: evidence from South Africa", was published in Volume 18(4) of the *South African Journal of Economic and Management Sciences*. The objective of the paper was to test the relationship between human capital efficiency and the financial and market performance of JSE-listed companies across all industries. Although human capital efficiency was found to have no direct effect on market performance in any industry, the findings confirmed a positive impact on financial performance in most of the industries through a greater capacity for production and service delivery, tighter cost controls or better use of company resources. Management in all South African industries are encouraged to develop the value-creating abilities of their employees through employer-driven personnel enrichment and training programs and by incentivising workers to pursue further education. In September 2016, Carla presented a paper on this topic at the *7th International Conference on Social Sciences*.

Carla also presented a second paper at the 7th *International Conference on Social Sciences* in September 2016, titled "The paradox of human capital for value creation in the South African mining industry". Her paper examined the unusual phenomenon of extraordinarily high value-creating power of human capital in the South African mining industry, due to its unskilled workforce being able to produce high-value mineral outputs with comparatively meagre wage costs. The paradox arises because persistent industrial action and subsequent wage negotiations are driving mineworkers' wage costs disproportionately too high relative to what the employment market deems fair for their low level of education and skills – yet their inflated wages are sadly still far below the cost of living.



Lize-Marie Sahd

During the last four years, Lize-Marie Sahd has focused her research on the understanding of new technological advances in the business world and more specifically, the risks that businesses are exposed to in the deployment of these technologies. She published two papers in 2016 that specifically addressed the risks entities are exposed to when deploying mobile technology as well as the controls they can implement in order to address these risks. Her first paper, titled "Significant risks related to mobile technology" was published in the *Journal of Economic and Financial Services (JEF)*. The research addressed the fact that entities are deploying mobile technology without a clear understanding of the technology components. This in turn leads to companies addressing the risks introduced by mobile technology in an ad hoc manner. The research identified the need for a comprehensive and structured approach to risk identification and used COBIT to identify significant risks related to mobile technology. The research produced a risk matrix that links the significant risks introduced by mobile technology to the components that give rise to the risks. Her second paper, titled "Mobile technology risk management" was published in the international journal, *Journal for Applied Business Research*. This article was co-authored with Prof. Riaan Rudman. The research focused on the three levels of controls needed to address the significant risks related to mobile technology: governance controls, management controls as well as operational controls. The article also produced a matrix that identifies the controls that can be implemented to mitigate the risks related to the components of mobile technology. In addition, Lize-Marie presented a paper, "Mobility: managing risk on the move", at the *Southern African Accounting Association (SAAA) Conference* held on 2 September 2016 in Cape Town. The paper summarised the research conducted in the two published articles.



Shaneen Conradie

Lize-Marie also conducted research in the field of post-graduate supervision and served as co-presenter on the paper, "Is post-graduate supervision the black sheep of teaching?" at her first international conference in January 2016. The *International Education Conference* was held in Orlando, United States of America and the paper she co-presented with Prof. Riaan Rudman addressed supervision as an extension of post graduate teaching. The research highlighted the fact that extensive time, effort and resources are invested in the improvement and advancement of undergraduate teaching and posed the question whether sufficient resources are invested in post-graduate supervision as an extension of teaching. The objective of the research was to investigate the perceptions of the role and responsibilities of post-graduate supervisors as well as the supervision models assumed in post-graduate teaching and to establish whether sufficient resources are invested to support and develop post-graduate teaching. Interviews were conducted with experienced supervisors in various fields regarding their perspectives of supervision and the model of supervision they employ. The research found that supervisors perceive their role as educators, facilitators and teachers with the same educational responsibilities as undergraduate lecturers. In comparison to undergraduate teaching, the research concluded that more structure, in terms of supervisor training and support, as well as resource investment is necessary to standardise supervision processes without taking away academic freedom.



Stiaan Lamprecht

Shaneen Conradie and Stiaan Lamprecht published an article titled "Business rescue: How can its success be evaluated at company level?" in Volume 19(3) of the *Southern African Business Review*. The research addressed the very topical and unanswered question of what constitutes a successful business rescue. Current reports on success are contradictory and seem to lack a set of standardised evaluation criteria. The researchers addressed the question by investigating how business rescue success is evaluated internationally in order to develop a set of criteria that can be used to evaluate business rescue success, at company level, in South Africa. A comparative review approach was used to investigate data from four leading international countries with similar business rescue regimes. A number of evaluation criteria were identified and aligned with the business rescue legislation as set out in Chapter 6 of the South African Companies Act. The findings indicated that the international business rescue regimes and Chapter 6 share similar goals. Several criteria for evaluating success were identified, the key indicators being the going concern status on exiting business rescue and whether the return to creditors was maximised as opposed to liquidation. It was further found that an initial exit as a going concern may be a short-term success indicator. Success can ultimately only be established if further investigation after some time indicates no re-filing for business rescue.

Andrea Herron published an article titled "A critical analysis of whether research activities performed by universities fall within the meaning and scope of the term 'educational services' as intended by section 12(h) of the Value-Added Tax Act No. 89 of 1991" which appeared in the *South African Journal of Accounting Research (SAJAR)*. According to section 12(h) of the Value-Added Tax Act No. 89 of 1991, 'educational services' are exempt from the levying of value-added tax as imposed by section 7(1)(a). The Value-Added Tax Act No. 89 of 1991 does not contain a definition of the term 'educational services' and therefore uncertainty exists in practice regarding the meaning and ambit of the term 'educational services' and whether research conducted by an institution providing higher education would qualify as an 'educational service' or not. The main objective of this article was to investigate whether research activities performed by universities qualify as educational services. In order to meet this objective, South African and international literature was analysed to determine the meaning and scope of educational services. It was found that different categories of research exist (commercial and non-commercial) and depending on the nature of the research, the treatment is different for value-added tax purposes.



Andrea Herron

Andrea Herron also co-authored an article with Rudie Nel titled "Debt reduction: Indicative factors in classification as a donation for income tax purposes" that was accepted for publication in the *Journal of Economic and Financial Sciences (JEF)*. Debt reduction in business is recognised for the economic relief afforded to the debtor involved. The new debt reduction regime was introduced in the Income Tax Act (section 19 and paragraph 12A of the Eighth Schedule) with the aim of minimising the tax impact so as not to negate the economic benefit. The new regime introduced an exclusion for debt reduced by way of a donation and uncertainty exists on instances where this exclusion would apply. This article considered four broad categories of factors indicative in the classification of a debt reduction as a donation (inadequate consideration; gratuitous waiver; intent and motive; classification as connected persons) and concluded with the formulation of such factors. The classification as connected persons is regarded as the most indicative of a debt reduction being classified as a donation; which could result in tax arbitrage if the creditor and debtor are taxed at different rates on the taxable income as result of the debt reduction.

Rudie Nel also co-authored two articles with Shené Steenkamp. Their articles, relating to the tax implications of cloud-computing, were accepted for publication in the *Journal of Economic and Financial Sciences (JEF)*. The first article titled "Cloud computing activities: guidelines on the South African income tax classification" considered the classification of income from cloud computing activities, according to the substance-over-form doctrine, as fundamental to the application of the correct taxation source test. The designation of IaaS, PaaS and SaaS, the three main cloud computing service models, clearly denotes the form of cloud computing activities as that of a service. However, the nature of cloud computing inherently raises the question of whether or not cloud computing income should not rather be classified as income from leasing activities or the imparting of know-how. In fact, the findings of this study suggest the classification would not necessarily always be that of a service. The possible classification as lease income can be either income from the lease of tangible computer hardware and/or of intellectual property (royalty income). The aim of the first article was to formulate guidelines to assist in the correct classification of income from cloud computing activities.



Rudie Nel

The second article titled "Cloud computing activities: South African normal tax source determination" considered the source determination for each of the possible classifications of cloud-based income (lease, service and royalty income, and/or income from know-how) by performing a doctrinal study based on South African and international literature. This second article identified and formulated the challenges in applying traditional source tests in the context of cloud-based transactions. These challenges stem from the potential absence of physical presence of the provider in the country of consumption, in contrast to traditional source tests where physical presence indicate a tax presence; as well as the location-independent nature of cloud-based transactions from the perspective of both the provider and the consumer. The findings of the study suggest that the source determination for cloud-based transactions could be based on the source of the payment or residency of the payer, rather than the physical location.



Shené Steenkamp



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