

Ethics for Bookkeepers

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Course Outline

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The webinar will cover the following topics:

- Background to the role of the bookkeeper.
- How the bookkeeper's role is evolving.
- Understanding new responsibilities.
- Ethics and the bookkeeper.

Course Outline Cont.

- Expectations:
 - From professional bodies.
 - From society.
 - From legislation.
- Practical application of ethical duties.
- Penalties for non-compliance.
- What the future holds for the bookkeeper.

Learning objectives

By attending this webinar you will gain the following competencies:

- Understand the ethical duties of the bookkeeper and how these would apply in practice.
- Understand the penalties for non-compliance.
- Understand the new environment and role of the bookkeeper.
- Understand ethical pressures on bookkeepers at the moment.
- Be aware of international norms and legislative prescription on ethics and compliance.

Quote:

The secret to success is to be ready for your opportunity when it comes.

- **Benjamin Disraeli**

The Role of the Bookkeeper

Introduction

Definitions

Bookkeeper

A bookkeeper is described generally as a person who is responsible for recording and maintaining a company's financial accounts and records.

The role of the bookkeeper includes:

- Processing and filing source documents
- Recording journal entries
- Posting journal entries to ledger accounts
- Preparing the trial balance
- Preparing financial reports
- Payroll administration
- Filing tax returns

Source Documents

The Role of a Bookkeeper

The role of a bookkeeper entails mainly the accurate recording and reporting of financial data. In doing so, the bookkeeper will as a result be exposed to important and sometimes confidential financial information of the business and its affairs. Such documents include:

- Purchase Orders
- Customer and Supplier Invoices
- Bank Statements
- Receipts
- Delivery Notes
- Employee Timesheets

Skills

The skills required for one to be a successful bookkeeper are a mix of formal education and training, intrapersonal skills, interpersonal skills and practical experience. They include:

- Numerical skills (accuracy)
- Communication skills
- Attention to detail
- Customer service skills
- Computer skills
- Problem-solving skills
- High ethical standards

How the bookkeeper's role is evolving

Video

Understanding new responsibilities

New Responsibilities

Basic / Core Duties:

- Data Entry
- Bank Reconciliation
- Posting to Ledger
- Management Reports

New Responsibilities Include:

- Data Analysis (Real-Time)
- Software Solutions Integrations & Training
- Bank / Accounting System Integration
- Budgeting / Forecasting & Business Strategy
- Integrated Reporting
- Continuing Professional Development

Ethics & the Bookkeeper

Bookkeeping Ethics

- Professional Competence (Qualifications, knowledge, experience, CPD)
- Integrity (Honesty)
- Confidentiality (Non-Disclosure)
- Professional Conduct (Noclar)

Additional

- Compliance with company code of conduct
- Compliance with professional body ethos

Ethical Issues in Bookkeeping

- Pressure to manipulate figures
- Fraudulent financial reporting
- Omission of financial records
- Conflicts of interest
- Misappropriation of Assets – is the use of company assets for any other purpose than company interests

Expectations

Expectations from Professional Bodies:

- Meet the minimum educational and training requirements
- Pass their competency tests to hold a designation
- Pay membership fees
- Attend general meetings
- Comply with professional body ethos
- Continuous Professional Development
- Integrity (avoid misrepresentation)

Expectations from Professional Society:

- Job creation
- Safeguarding of the profession
- Stewardship (decision making / shareholding, etc.)

Expectations from Legislation:

- Application of the correct accounting standards
- Continuing Professional Development
- Compliance with laws and regulations
- Advisory services
- Professional competency, diligence and due care

Penalties for non-compliance

SARS

Administrative Penalty

- The administrative non-compliance penalty for the failure to submit a return comprises fixed amount penalties based on a taxpayer's taxable income and can range from R250 up to R16 000 a month for each month that the non-compliance continues.
- An Administrative Penalty (Admin Penalty) is a penalty levied under Section 210 of the Tax Administration Act (TAA).

POPIA

Penalties

- Section 107 of the Act details which penalties apply to respective offenses.
- For the more serious offences the maximum penalties are a R10 million fine or imprisonment for a period not exceeding 10 years or to both a fine and such imprisonment.
- For the less serious offences, for example, hindering an official in the execution of a search and seizure warrant the maximum penalty would be a fine or imprisonment for a period not exceeding 12 months, or to both a fine and such imprisonment.

FICA

FICA non-compliance

- The penalties for non-compliance vary depending on the severity of the offence but can range from a public reprimand to a financial penalty or even jail time.
- These penalties apply not only to the company itself but may also apply to the executives or owners of a business as well as employees or individuals involved in dealings with a specific client, transaction or activity.

FICA

FICA non-compliance

The Financial Intelligence Centre (FIC) specifically states that non-compliance with the FIC Act could lead to:

- A public reprimand.
- A remediation directive.
- The restriction or suspension of certain business activities.
- Financial penalty of up to R10 million for a natural person or up to R50 million for a legal person.
- For more serious offences, the maximum penalty increases to imprisonment for a period of up to 15 years or a fine of up to R100 million.

**The Future of
Bookkeeping is Digital**

End, Thank You!