TAX EDUCATION IN SOUTH AFRICA: A SURVEY OF THE CURRENT PERCEPTIONS OF EDUCATORS.

by

Mr. GP Alberts	24004962	0833918479 Gerbrand.alberts@za.ey.com
Home department:	Department of Taxation	
Supervisor:	Mr SG Nienaber	
Supervisor's e-mail address:	Gerhard.nienaber@up.ac.za	
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ABSTRACT

TAX EDUCATION IN SOUTH AFRICA: A SURVEY OF THE CURRENT PERCEPTIONS OF EDUCATORS

by

GERBRAND ALBERTS

STUDY LEADER: MR. S.G. NIENABER
DEPARTMENT: TAXATION
DEGREE: MAGISTER COMMERCII

Taxation is an ever changing field and the need for people who specialise in this area is continually growing. As a result of this the need for specialist tax related services; it has evolved into a profession of its own for quite a while in South Africa.

Professional and specialised consulting occupations require a certain degree of specialisation to attain a level of superiority in the commercial world. To attain the status of a professional or to enjoy the status of specialised consultant requires extensive training and education. Taxation is taught at most universities albeit not as a degree in its own right but there are some exceptions. Currently South African universities offer a number of different undergraduate degrees that incorporate the discipline of taxation as a subject.

Currently there is no set of standards or a professional body that regulates any individual claiming to be a tax specialist or practitioner. Consequently it is unsure whether or not the spectrum of topics and other required content included in the various degrees offered by South African universities, is educated at the required level to provide students with the necessary practical and theoretical skills, as well as other desired qualities, to survive in the ever changing and evolving world of taxation and be successful as a professional tax practitioner as expected by their employers.

Using questionnaires, data was obtained from the tax departments of the universities accredited with SAICA. The results indicated, as expected, that a higher level of

knowledge is expected of a student with a postgraduate qualification. In addition to this the more specialised the industry/field becomes to which the specific tax topic applies, the lesser level of knowledge is expected of a newly qualified candidate irrespective of the qualification.

The conclusion drawn in this study was that educators place a high level of expected theoretical knowledge, practical skills and personal attributes on a newly qualified student but this level does not necessarily coincide with the level expected by employers. Consequently educators and employers need to reach a consensus about the curricula included in various degrees offered by South African universities in order to prepare them for practice.

Keywords:
Tax education
Accounting education
Professional education
Educators' perceptions

OPSOMMING

BELASTING OPLEIDING SUID-AFRIKA: 'N OPNAME OOR DIE HUIDIGE PERSEPSIES VAN OPVOEDERS

deur

GERBRAND ALBERTS

STUDIE LEIER: MNR. S.G. NIENABER
DEPARTMENT: BELASTING
GRAAD: MAGISTER COMMERCII

Die konsep van belasting is 'n alewig veranderende veld en die vraag na persone wie gespesialiseer is in die area groei by die dag. As gevolg van hierdie groeiende vraag na gespesialiseerde belastingdienste het die professie tot in sy eie reg ontwikkel en bestaan dit al vir 'n etlike jare in Suid-Afrika.

Professionele en gespesialiseerde konsultasie tipe beroepe vereis 'n sekere vlak van spesialiseering om sodoende hoër agting te verkry in die kommersiële wêreld. Om die status van professional person of titel gespesialiseerde konsultant te geniet vereis intensiewe opleiding. Belasting as vakgebied word aangebied by meeste universiteite hoewel nie altyd as 'n graad in sy eie reg nie, maar daar is uitsonderings. Ten tyde van hierdie studie bied Suid-Afrikaanse universiteite 'n wye verskeidenheid voorgraadse kwalifikasies aan, wat belasting as 'n vak insluit.

Huidiglik is daar nie 'n aanvaarde standaard of 'n professionele organisasie wat persone reguleer wat beweer dat hulle in belasting spesialiseer nie. Gevolglik is daar onsekerheid in verband met die onderwerpe en inhoud wat vereis word in die verskeie kwalifikasies aangebied deur Suid-Afrikaanse universiteite. 'n Verder onsekerhied onstaan ook of die inhoud wat aangebied word, op die verlangde vlak is om studente te voorsien met die nodige praktiese en toeretiese vaardighede, asook met ander verlangde kwaliteite, sodat hulle sal kan oorleef in die gedurig veranderende en ontwikkelende wêreld van belasting

en sodoende suksesvol te wees as ‘n professionele belastingpraktisyn soos dit verwag word deur ‘n werkgewer.

Data is ingevorder met behulp van vraelyste vanaf die belastingdepartemente van universiteite wat deur SAICA geakkrediteer word. Soos verwag het die resultate getoon dat daar egter van ‘n student met ‘n nagraadse kwalifikasie ‘n hoër kennisvlak verwag word. Hierbenewens, hoe meer gespesialiseerd die bedryf of gebied waaraan ‘n spesifieke belastingsonderwerp gekoppel word, hoe minder kundig hoef ‘n nuutgekwalifiseerde kandidaat te wees, ongeag van sy/haar kwalifikasies.

Die gevolgtrekking uit hierdie studie is dat dosente ‘n hoë verwagting plaas op teoretiese kennis, praktiese vaardighede en persoonlike eienskappe vanaf nuut gekwalifiseerde studente maar dat die vlak van verwagting met betrekking tot die werkgewer se raamwerk nie noodwending ooreenstem nie. Daarom is dit uiters belangrik dat opvoeders en werkgewers konsensus bereik oor die inhoud van curricula in die verskeie kwalifikasies aangebeid deur Suid-Afrikaanse universiteite in ‘n poging om studente sodoende beter voor te berei vir praktyk.

Sleutelwoorde:
Belasting opvoeding
Belasting opeleiding
Professionele opleiding
Rekeningkundinge opleiding
Opvoeders se persepsies

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CHAPTER 1

1 INTRODUCTION

1.1 BACKGROUND

Taxation has been imposed as far back as 3300 B.C. and has been traced back by archaeologists to have started in the ancient empire of King Scorpion in Egypt. (Samson, 2002:22). Taxation did not end there instead continued to be imposed. Over time the methods, legislation and tax systems utilised, have evolved into highly complex systems. Modern day governments continue to impose tax on their citizens in order to carry out the functions they were elected to carry out. Taxes are imposed to raise the finances needed by a government to perform its duties. This will inevitably lead to the dynamic collection of taxes around the world (Samson, 2002:22).

In the current economic environment, worldwide and in South Africa, it is practically impossible to escape the effects of taxation. In the world we live in it is an everyday reality that individuals and corporations pay taxes. It might not be something that it is observed directly but it is built into everything that forms part of day-to-day living (Croome, 2010:1, (Muller 2010:63). Some examples in a South African context include value added tax on the majority of goods and services, taxes on petroleum and diesel; all imported products have an element of customs duty which is charged to the end user (SARS, not dated). The list goes on and it is needless to say that taxation forms part of everyday living.

In South Africa a residence-based system of taxation (RBT) has been adopted. This was first implemented for years of assessment commencing on or after 1 January 2001 (Smith, 2004:1). This adopted system brings into account that all residents[1] in terms of the Act are

[1] Resident includes natural persons and persons (other than a natural person). “Resident” as defined in section 1 of the Income Tax Act No. 58 of 1962.

subject to tax on their worldwide income irrespective of where the income was earned. (SARS, 2011). These changes mentioned above and various other changes to sections of the Act to accommodate all of the implications of the significant change in the tax structure led to an increasingly more complex tax regime (Smith, 2004:1 – 4).

Taxation is an ever-changing field and the need for people who specialise in this area is continually growing (Collins, Milliron & Toy, 1990:15; Tan, 1999:445). As a result of this and the need for specialist tax-related services; it has evolved into a profession of its own and this has been the case for quite a while in South Africa. This principle was established by Braham (1982:53) where it was noted that the task competency demands increased specialisation when complexity increases.

Professional and specialised consulting occupations require a certain degree of specialisation to attain a level of superiority in the commercial world. To attain the status of a professional or to enjoy the status of specialised consultant requires extensive training and education (Van Zyl, 2007: 166-167). Based on this it can be argued that the complexity of a tax regime or system inadvertently creates the necessity for further education and training courses to be made available to individuals who have the desire to become tax practitioners or tax professionals. (Doman, 2011:13).

Taxation is taught at most universities albeit not as a degree in its own right, with some exceptions. Currently South African universities offer a number of different undergraduate degrees that incorporate the discipline of taxation as a subject. The universities with their respective degrees are listed below in Table 1. This table also suggests that undergraduate degrees specialising in taxation are limited, however, certain universities do offer specialised postgraduate degrees in taxation. On this basis it appears that the discipline of taxation in the year of 2011 was still regarded as a secondary element to the accounting profession. This argument may be taken further by the fact that only two universities, namely University of Pretoria (not dated) and the University of South Africa (not dated), are the sole universities that have dedicated departments which can be differentiated from other departments which provided specialised tax education and training.

Table 1: Undergraduate and postgraduate degrees offered in South Africa which include the discipline of taxation as part of their core competencies.

University	Baccalaureus Commercii degrees specialising in Accounting Science. (CA stream)	Other Baccalaureus Commercii degrees	Baccalaureus Commercii degrees specialising in taxation.	Honours degrees specialising in Accounting Science. (CA stream)	Honours / Post graduate diploma in tax or other Postgraduate degrees with taxation as a subject	Magister Commercii in taxation	SAICA Accredited Programme
University of Cape Town	X	X		X	X	X	X
University of the Free State	X	X		X	X	X	X
University of Johannesburg	X	X		X	X	X	X
University of KwaZulu Natal	X	X		X		X	X
University of North West	X	X	X	X	X	X	X
University of Pretoria	X	X	X	X	X	X	X
University of Rhodes	X	X		X	X	X	X
University of South Africa	X	X		X	X	X	X
University of Stellenbosch	X	X		X		X	X
University of Western Cape	X	X		X	X	X	X
University of Witwatersrand	X	X		X	X	X	X
Nelson Mandela Metropolitan University	X	X		X		X	X

Source: Refer to Appendix A (prepared based on information available in 2011).

Based on the contents of Table 1 one of these undergraduate and postgraduate degrees that are offered by the majority of universities are bachelors' and honours degrees in Accounting sciences. Accounting is nonetheless regarded as the primary focal subject matter of this bachelors'-and honours degree (Coetzee & Oberholzer, 2009:1).

As mentioned above, in South Africa the only profession that closely relates to the tax profession is that of accounting. In South Africa accounting is governed, *inter alia*, by SAICA with the use of an accreditation programme. Currently there is no set of standards or professional body that regulates any individual claiming to be a tax specialist or practitioner (SAIT, 2010).

The Regulations of Tax Practitioners Bill issued in June 2008, however, are currently in draft format and the aim of this regulation is to ensure that there are minimum standards implemented in respect of qualifications and experience required by tax practitioners (SARS, not dated). As a result of this non-regulated environment applicable to a tax practitioner, there is minimal input from employers on what their expectations are regarding tax qualifications obtained from a university. Currently there is a draft bill in circulation that will potentially regulate the profession but there is much uncertainty as to when this will be implemented (Doman, 2011:4).

This is the reason why educators have no clear-cut standards to benchmark their learning outcomes/levels of theoretical knowledge. As a result of this void, educators are left with the responsibility to develop their curricula and approach based on their own perceptions of what is needed and preferred in public. Consequently it is unsure whether or not the spectrum of topics and other required content included in the various degrees offered by South African universities, is educated at the required level to provide students with the necessary practical and theoretical skills, as well as other desired qualities, to survive in the ever-changing and evolving world of taxation and be successful as professional tax practitioners as expected by their employers (Doman, 2011:4).

Little is known about the relationship between teaching tax and the requirements of the profession (Miller & Woods, 2000:223). Several studies have been performed about tax topics a student should be knowledgeable about but all of these had certain constraints. These included only approaching the subject from the perspective of training a chartered accountant and there was limited representation from the population itself. The population was either limited to a specific region or type of employer. This was further limited as a result of the number of respondents (Craner & Lymer, 1999:127-156; Joubert, Coetzee &

Oberholzer, 2009:15-31; Miller & Woods, 2000:223-241; Stara, Shoemaker & Brown, 1991:79-104; Tan & Veal, 2005:28-44).

This study aims to identify and clarify what educators perceive to be necessary, what is regarded as being relevant and expected by employers of their students who are completing taxation as part of their degree with the aim of becoming tax practitioners/professionals. These perceptions are evaluated by means of a questionnaire to the accredited institutions as listed in Table 1.

1.2 PROBLEM STATEMENT

This study focuses on the main question: "What do tax educators, in their view, believe employers' would value the most of a newly qualified candidate in terms of theoretical knowledge, practical skills as well as personal characteristics?"

1.3 PURPOSE STATEMENT

The main purpose of this study is to determine what tax educators at universities in South Africa perceive to be the requirements and preferences of employers. Unlike previous research studies performed in South Africa this study is not based from an accounting perspective but examines it from a tax practitioner's perspective.

1.4 RESEARCH OBJECTIVES

This study is guided by the following specific research objectives:

- To critically analyse previous research studies on the topic in order to establish the theoretical construct of this study.
- To determine in the educators view which qualifications, as listed in this study, employers would most desire when appointing a newly qualified candidate.
- To determine the level of theoretical knowledge and practical skills as well as the personal attributes that an educator' would expect an employer to value most.

- To determine the agreement between educators' expectations of an undergraduate and a post-graduate qualification in respect of the level of theoretical knowledge, practical skills and personal attributes that employers would value most.

1.5 IMPORTANCE AND BENEFITS OF THE PROPOSED STUDY

From a practical perspective, this study may provide taxation and accounting educators, professional bodies, employers and researchers with insight into the various expectations educators have on what employers want. In particular it could make employers aware of the educators' perceptions and what is considered as important. This study could therefore influence the future expectations of tax educators and the curricula of the qualifications listed in this study.

From an academic perspective, this exploratory study contributes to the existing understanding of educators' perceptions in the education environment. Due to the limited number of studies performed in the past in this specific field it was decided to include any available literature even if it is older than ten years. The fact that there is such limited number of sources available proves that expansion on this topic is much needed. Hence it is necessary to obtain a thorough understanding of the current and past views. In order to achieve a proper understanding, an in-depth review of past and current views should be undertaken.

The remainder of this study discusses the delimitations. Thereafter the key definitions used in the literature review are defined. A summary is provided of the abbreviations to be used. The current literature serves as a basis for the research design and methods used in the study to be discussed.

1.6 DELIMITATIONS

The proposed study has several delimitations as discussed below.

- The study is limited to the Republic of South Africa. Therefore educators outside the boundaries would not be considered or included for questionnaire purposes. This

has been decided as the focus is on educators in South Africa and their perceptions of local employers' expectations.

- The target population only includes SAICA-accredited universities which are known to offer tax either as a subject or degree in its own right. This is discussed in more detail in Chapter 3. Different results may be obtained from other target populations.
- At the time of the study, no information could be obtained in respect of qualifications, which includes taxation as a subject, offered by the University of Limpopo and Fort Hare. Qualifications offered by these two universities were therefore not included in this study.
- For all the relevant universities the information in respect of the qualifications that include taxation as a subject was obtained in respect of degrees offered by universities during the 2011 study year. Changes to subjects, included in these degrees or additional degrees offered by these universities before and after 2011, were therefore not included in this study. For the University of the Western Cape, the information in respect of the relevant qualifications which include taxation as a subject was based on degrees offered in 2010, as the 2011 information was not available on the website.
- Finally, the aim to gain an understanding of the perceptions of the educators is limited to a specific time frame. Evaluating the perceptions of educators over a long period of time is of no use as our tax legislation is amended almost on an annual basis (SARS, not dated) and the business environment adapts accordingly. Hence educators may change their approach bar that the basic principles remain consistent.

1.7 ASSUMPTIONS

This study makes several assumptions about tax educators, the individuals identified as the target population. As such, it is assumed that:

- All universities have a dedicated tax department or a function dedicated to the teaching of taxation;
- Every such department or function has a HOD or subject head or person responsible; and that

- The information in respect of the qualifications, which includes taxation as a subject, obtained from the relevant websites of the universities is subject to the accuracy of the information available on the websites at that time.

1.8 DEFINITION OF KEY TERMS

This study involves a number of key terms and definitions. The manner in which these key terms are defined for the purpose of this study is considered below.

Tax Practitioner is a term used to describe a person or entity providing advice on tax to taxpayers (Nienaber, 2010:35-36). Within a South African context, any natural person who provides advice to other persons with respect to the application of any Act administered by the Commissioner or completes and assists with any documents to be submitted with the Commissioner should register as a tax practitioner in terms of section 67A(1) of the Act. Section 67A(2), however, provides for certain exclusions from the requirements to register.

Employer: Throughout this study reference to an "employer" in this context, is a tax practitioner, whether an individual natural person or a professional firm, that is hiring new tax practitioners.

Newly qualified candidate: For the purposes of this study, a newly qualified candidate is any student who has recently graduated from a tertiary institution and has completed tax modules as part of their degree, whether an undergraduate or postgraduate degree, without any work-related experience.

Table 2 summarises the abbreviations that will be used in this document.

Table 2: Abbreviations used in this document

Abbreviation	Meaning
ACCA	Association of Chartered Certified Accountants (Global)
AICPA	American Institute of Certified Public Accountants
ATEI	Approved tertiary educational institutions
CA (SA)	Chartered Accountant (South Africa)
CIMA	Chartered Institute of Management Accountants (Global)

FSB	Financial Services Board
ICB	Institute of Certified Bookkeepers, South Africa
ICANZ	Institute of Chartered Accountants of New Zealand
IRBA	Independent Regulatory Board of South Africa
IRBTP	Independent Regulatory Board of Tax Practitioners
LSSA	Law Society of South Africa
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Public Accountants
SAIT	South African Institute of Tax Practitioners
TIPP	Training in public practice
TOPP	Training outside public practice

1.9 CHAPTER OUTLINE

The thesis is structured as set out below.

1.9.1 Chapter 1: Introduction to the study

Chapter 1 sets out the background and the rationale behind the current study. The problem statement is clearly articulated with the research objectives that best address the problem statement. The importance and benefits are highlighted, the delimitations and assumptions are discussed. The chapter also includes a list of abbreviations used throughout this study.

1.9.2 Chapter 2: Literature review

Chapter 2 presents a literature review of previous research studies relevant to the problem statement. It further provides theoretical background on the matter of tax education and the expectations associated with it.

1.9.3 Chapter 3: Research design and methods

Chapter 3 discusses the research design and methodology applied in this study. It provides a rationale for the research process adopted. The data analysis and collection process is outlined and explained. The quality and rigour of the study is visited as well as the ethical considerations involved in survey research.

1.9.4 Chapter 4: Analysis of results

In Chapter 4 the results are provided with a discussion on how the data presented in an organised manner addresses the research objectives.

1.9.5 Chapter 5: Conclusion

Chapter 5 concludes the study with a summary of the research on this study and is compared on a high level with results from Doman (2011). The chapter also visits the limitations and contributions of the study and discussed possible ideas and recommendations for future research.

CHAPTER 2

2 LITERATURE REVIEW

2.1 BACKGROUND

In this chapter the demand for tax practitioners and their responsibilities are discussed by analysing evidence obtained from previous research studies performed. It is important to examine the demand for tax practitioners as this demand gave rise to the creation of the tax profession itself and as explained above in the introduction, this demand resulted in a direct requirement for further education and training in the discipline of taxation.

Furthermore, the concepts of education and training with respect to professional disciplines are explored and discussed in more detail. In addition to this the discussion also touches on other attributes that may make a contribution to the students overall in their preparation to become a tax practitioner. This discussion ultimately details where the educator's responsibilities end and where the employer's responsibility starts in respect of educating newly qualified tax practitioners. The aim of this chapter is to critically analyse previous research studies regarding tax education and to establish the theoretical constructs of this study.

2.2 TAX PROFESSION

It is essential to determine if there is a need or demand for tax practitioners in the commercial world and what specifically the roles of tax practitioners are. This is important because if there were no demand, the tax profession would not have come into existence. Based on previous research studies it is evident that various reasons exist to employ tax practitioners' services (Collins *et al*, 1990:15; Tan, 1999:445). The reasons range from overly complex tax systems to frequent changes to the legislation which materially impacts taxpayers and their planning capabilities. In summary the discipline of taxation is a too onerous task and the administration thereof overburdens the taxpayer, however, there are other reasons for utilising the services of a tax practitioner. The previous research studies performed with respect to the demand for tax practitioners and the role of tax practitioners are discussed in depth below.

2.2.1 Supply and demand of tax practitioners

In the past and currently, to a limited extent, the discipline of taxation has been seen as the responsibility of the professional accountant and is considered to be a derivative of the main stream focus on accounting. However, nowadays the subject of tax altogether has grown in complexity and importance. As result of this growth the tax profession has evolved into a distinct and highly specialised subject area (Doyle, Frecknall-Hughes & Summers, 2009:391).

This is further evidenced by the fact that the majority of accounting practices albeit small or large often have separately identifiable tax departments which are dedicated to deal with any tax compliance and business tax advisory (EY, not dated; PWC, not dated; Deloitte, not dated; KPMG, not dated). In South Africa and in the rest of the world there is a broad range of professionally qualified people providing tax advice to taxpayers. This list of professionally qualified persons includes: accountants, auditors, lawyers, former members of revenue authorities and tax experts working within the industry (Doyle, Frecknall-Hughes & Summers, 2009: 391 - 392).

Some of the reasons that led to this increase in the demand for tax practitioners are broadly discussed below. A study performed by Klepper and Nagin (1989: 167) showed that nearly 44% of all tax returns submitted in the United States of America for the 1979 tax year, was completed by tax preparers. Klepper and Nagin (1989: 168) went so far as to compare the role of investors to the role of a tax preparer.

It was argued that a taxpayer would rather seek advice on the basis that they wouldn't need to invest costly time in tax planning and executing a strategy. In addition to this the tax preparer would be in the position to advise taxpayers on strategies that would maximise their after-tax income without compromising on risk. Sukarai and Braithwaite (2001) conducted a study on taxpayers' perceptions of the ideal tax adviser. It was noted that taxpayers seek professional assistance to reduce perceptions of complexity and legal uncertainty, to save time or even exploit "grey areas" of the law (Sukarai & Braithwaite, 2001:1).

Based on the information obtained by Sukarai and Braithwaite (2001:6), it was found that only 12% of taxpayers felt competent enough to complete their own tax return. In United States of America a study performed by D.E. Forster & Partners (1992:25) found that larger corporations with dedicated tax departments employ up to 80 or more managers and professionals to deal with tax planning and compliance due to significant time consumption.

Doyle *et al* (2009:391) list some of the contributing factors that are responsible for the increased reliance on tax practitioners' advice. These include a self-assessment system (this was also listed as a factor by Sukarai and Braithwaite (2001:1)), complex tax codes, increased penalties for non-compliance and a higher level of cross-border activity.

In a study performed in New Zealand by Tan (1999), the results indicated that the majority of the target population would engage the services of a tax practitioner for all the events listed below, especially the first two :

- To file accurate tax returns;
- To avoid tax penalties;
- To minimise tax liabilities;
- To reduce chances of audits being conducted by tax authorities; or
- To reduce uncertainties surrounding tax legislation.

Based on the above it appears that worldwide there is a high demand for tax practitioners. Following this the same can be said for South Africa. In South Africa tax is calculated on a self-assessment basis (SARS, not dated), the Act contains some very complex provisions of which the interpretation is not always clear or is ambiguous and SARS has recently been adapting its compliance net to increase its effectiveness when it comes to collecting its income (Anon, 2004). Even though it is apparent that there is a strong demand for tax practitioners, the profession in South Africa is not yet regulated by a statutory body (Nienaber & Lubbe, 2012:5). In South Africa the Bill proposing the draft legislation is still in the process of evaluation and subject to commentary (SARS, not dated). Regardless of this, section 67A of the Act provides that any natural person providing taxation advice or who assists in completing documentation to any other person with respect to the

application of any act administered by the Commissioner is required to register as a tax practitioner.

Due to the complexity of specialising in taxation as a profession there is a need to acquire the necessary skills and expertise. This principle is confirmed by Braham (1982:53) where it was noted that the task competency demands increased specialisation with the increase in complexity. As a result of the increased complexity in the taxation discipline in different tax systems, the task itself of administering the tax affairs by the taxpayer became too onerous, hence the increased demand for specialised tax practitioners. (Doman, 2011:1)

In summary it can be argued that taxpayers have various reasons for utilising the services of a tax practitioner. It was found by Sukarai and Braithwaite (2001:20) that the underlying contribution that tax practitioners provide, is providing a sense of confidence to the taxpayer that all their affairs are in order and their conduct is within the limits of the law.

2.2.2 The functions performed by tax practitioners

In the past tax practitioners' services were mainly used to conform to the provisions of tax acts, hence the function of tax compliance was the main focus of tax practitioners (DE Foster & Partners, 1992; Sukarai & Braithwaite, 2001). However, with the progress of time and the increased complexity associated with taxation the functions of a tax practitioner also expanded.

Various offshore studies have been performed to determine the functions of tax practitioners. The results of these studies are summarised below and indicated that various types of services are required by taxpayers from tax practitioners. These services typically range from advice on historical events but also with respect to future events and or future endeavours (also known as tax planning) (Klepper & Nagin, 1989:168; Sakurai & Braithwaite, 2001:9).

Klepper and Nagin (1989: 168) in their study state that tax practitioners provide taxpayers with advice that would ultimately result in maximising their after tax income in exchange for a certain degree of risk. The so-called advice can be split into two sections, the first being

advice on whether a certain reporting position would result in a dispute by revenue authorities and the second, to take advantage of ambiguous features or "grey areas" of tax law.

A study conducted by Boccabella (1993:392) illustrated that the role of tax practitioners has developed into the following:

- Providing opinions on tax consequences of financing and / or restructuring transactions;
- Advising taxpayers on the accounting consequences of tax matters in annual financial statements;
- Assisting with tax planning of events or transactions which may lead to tax liabilities;
- Advising taxpayers on the interpretation and practical implications of tax legislation; and
- Acting on behalf of taxpayers with tax authorities.

Based on the above it is evident that due to the complexity and specialised nature of taxation, taxpayers rather easily rely on tax practitioners to order their tax affairs. In the past it may have only been to assist with completing tax returns and to ensure compliance but nowadays the reliance has grown into much more. The tax implications of all significant business transactions are becoming more and more material to the overall attractiveness of a business transaction. As a result the input of tax professionals is becoming much more significant.

In the sections following, the requirements to enter into the profession are discussed in more detail.

2.3 PROFESSIONAL TRAINING AND EDUCATION

From the previous paragraphs it has been well established that there is a strong demand for tax practitioners and this demand is continuing to grow. This growth is line with the ever- expanding world population. The functions and roles performed traditionally by tax practitioners have also grown somewhat and evolved from originally assisting with the preparation of tax returns to advice on everyday business transactions (Boccabella,

1993:392). As stated by Van Zyl (2007:166-167) a person requires extensive training and education to be able to enter into a profession. Based on the above it may be argued that due to the high demand for tax practitioners and changes in their role a direct link may be made to the demand for extensive training and education in the discipline of taxation.

In this section the general concepts of training and education in professional disciplines are investigated. This is important as it identifies which qualities it is important to possess and it distinguishes between what type of qualities are obtained through formal education and what qualities are obtained from working experience, i.e. qualities not obtainable by way of formal education.

Furthermore, the formal education options that are available to a person wanting to enter the tax profession are researched. A distinction is made between qualities obtained through formal education and qualities obtained through "on-the-job" training or otherwise referred to as current general philosophies and practices of tax employers.

2.3.1 Qualities desired by employers in general

Whenever an employer has vacancies and interviews are being conducted with possible candidates there are certain key focus points that are addressed in the interview. Normally the appointment process by employers is a structured one usually managed by the human resources department. Employers would like to ensure that the best candidate according to their criteria/work culture is appointed in the end and their appointment process is structured in a way to best achieve this objective. As part of the process the employer evaluates certain qualities in a candidate. The specifics of the qualities depend on the type of job but include (Heathfield, not dated):

- Qualifications;
- Experience;
- Knowledge;
- Skills; and
- Characteristics.

It is important that new employees are knowledgeable in their respective field. Employers however, may require other skills and based on Jobweb (2009) there are ten skills employers require and new graduates often lack. These are:

- Communication skills;
- Strong work ethic;
- Teamwork skills; (works well with others)
- Initiative;
- Analytical skills;
- Computer skills;
- Flexibility/adaptability;
- Interpersonal skills; (relates well to others)
- Problem-solving skills; and
- Technical skills.

While some qualities mentioned by Heathfiled (not dated) may be acquired at tertiary institutions or to a certain extent contribute to the development thereof, it is apparent that some cannot be obtained as Jobweb (2009) lists skills that new graduates often lack. Good examples of a skill that may not be acquired at a tertiary institution are "characteristics".

While it may be argued that a person's characteristics are moulded while studying at a tertiary institution it is not something that is directly measured as part of obtaining a qualification (Carter, 1985:136). Some of the qualities, even though they are expected by employers, may only develop when such person is experiencing "on-the-job" training and are further developed with the progress of time. This may be labelled as the difference between training and education. With respect to the tax profession it could be argued that the same difference exists.

2.3.2 Training and Education two distinct concepts

Training and education are two distinct concepts and for purposes of this study the meaning of these concepts has to be further investigated. This is necessary as it will assist

in determining the target population of this questionnaire and direct the type of questions that may be asked of such a population.

James and Evans (1996:438) considered what the difference between training and tax education was. For purposes of their study the authors defined training as teaching in respect of a particular skill, profession or occupation and education. Education was defined as something wider, something that included development of character, mental ability and so on that is not related to any particular activity but to personal development. According to James and Evans (1996:440) tax teaching probably includes a great deal more than the simple acquisition of basic skills. It represents the full range of education experiences. This statement by James and Evans confirms the principle laid out in point 2.3.1 where it was argued that not all the expected skills are acquired at a tertiary institution. However, perceptions may differ.

Glaser (1983:1) in his study pointed out that accumulating knowledge by means of education generally should have long-term effects on improving and increasing a person's general use of the acquired abilities. These abilities include the ability to reason, understand, the ability to solve problems and the ability to learn. In a study performed by Carter (1985:135) it was suggested that the process followed to become a professional normally consists of two distinct parts. The first part can be described as academic education that involves the accumulation of knowledge and the latter part to the process is completing a formal apprenticeship or learnership. This second part can also be labelled as "on-the-job" training and is not something that is usually acquired at a tertiary institution.

Based on the above the primary goal of academic education is to assist the student in accumulating knowledge, but it should also enable the student to reason, understand and solve problems to a certain degree (Glaser, 1983:1). Glaser (1983:1) in his study prompted that the evidence available at that time indicated that educational institutions had an improved capability of teaching the basic fundamentals, however, this was limited in terms of encouraging reasoning and solving problems.

Carter 1985 (1985:135 - 147) conducted a study where the objectives of educating professional engineers was investigated, specifically on employee-qualities that are

potentially desirable for employees. To summarise these qualities Carter developed a taxonomy as a tool to analyse curriculum objectives for professional education. It was stated that true professional education should be a reflection of both academic and professional studies. Carter (1985:147) suggested that the taxonomy may be useful in relation to professions other than engineering.

Table 3: Summary of taxonomy of objectives for professional education

Personal qualities	**Mental Characteristics:** Openness Agility Imagination Ideas	**Attitudes and values:** Things Self People Groups Ideas	**Personality characteristics** Integrity Initiative Industry Emotional resilience	**Spiritual qualities** Appreciation Response	Being
Skills	**Mental skills:** Organisation Analysis Evaluation Synthesis	**Information skills:** Acquisition Recording Remembering Communication	**Action skills** Manual Organising Decision making Problem solving	**Social skills** Co-operation Leadership Negotiation and persuasion Interviewing	Doing
Know-ledge	**Factual knowledge:** Facts Structures Procedures Concepts Principles		**Experiential knowledge:** Experience Internalisation Generalisation' Abstraction		Know-ing

Source: Carter (1985:146).

The study concluded that there were many qualities that the employer desired of a professional engineer but the desired qualities were not present in the engineering curricula (Carter, 1985:147).

Based on the above it is evident that there invariably will be qualities that are desired by employees of newly qualified professionals but these qualities would not have been obtained by way of formal education.

This study attempts to identify which qualities are deemed to be important from an educator's perspective.

2.3.3 Exploring the objectives of professional education

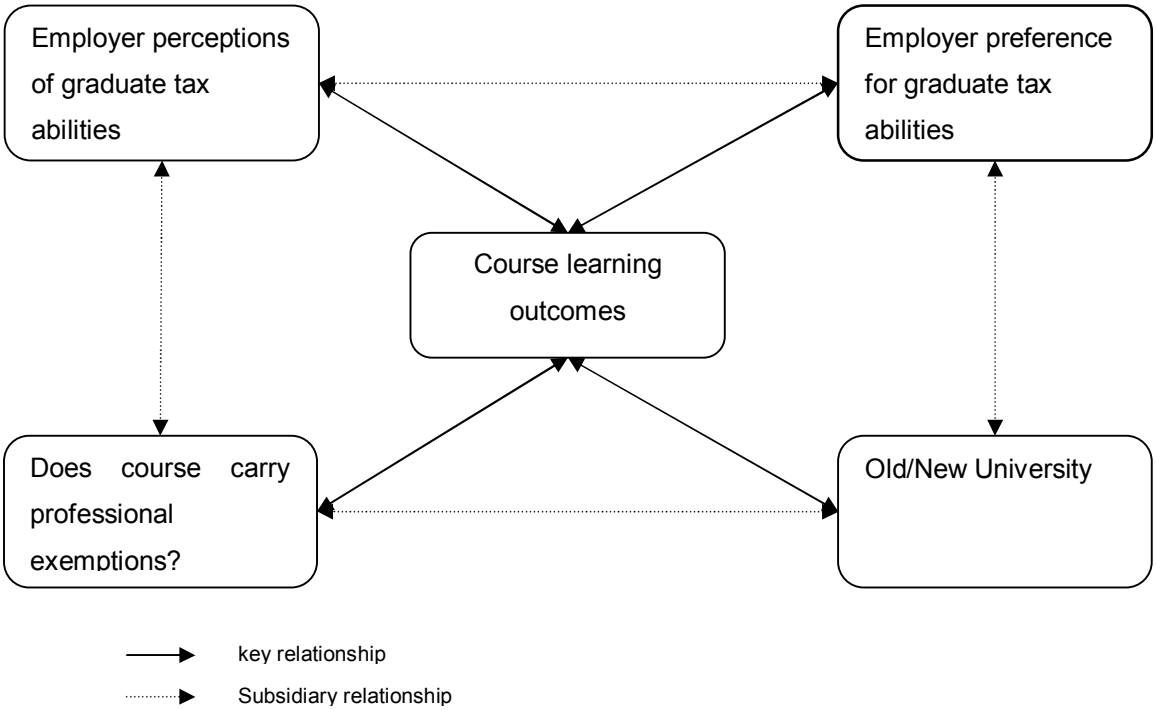
As previously stated in 2.2.1 the need for tax professionals is continuously growing and to support such growth some sort of preparation is needed to equip new individuals choosing to enter the tax profession. This section explores the extent of formal tax education embedded in accounting degrees.

Craner and Lymer (1999) presented the results of a postal survey examining the relationship between some characteristics of individual tax courses, including the course objectives and coverage, staffing, teaching and assessment methods. The results were used to draw conclusions on the nature of tax education in UK accounting degrees. They found that objectives of the courses did not differ substantially irrespective of the course being optional or mandatory. On the other hand they found that the background of the staff teaching the course had a strong influence on the type of course provided. They also found that professional exemptions made an impact on the course objectives (Craner & Lymer, 1999:153-154).

Miller and Woods (2000) conducted a study that was aimed to contribute towards clarifying the position regarding the study of taxation. The authors compared expected learning outcomes for taxation, within UK universities, with employers' expectations and requirements of graduates known to have studied taxation as part of their degree.

The authors identified several key and subsidiary relationships involving learning outcomes, this was chosen as it represents the objectives that educators will use in the design and delivery of a specific course. The relationships are illustrated in Figure 1.

Figure 1: Key relationships



Source: Adapted from Miller and Woods (2000:226)

The authors intended to examine whether or not an 'expectation gap' existed between the knowledge acquired at university and the knowledge which employers would expect and would prefer graduates to have. Their study confirmed that there is such an 'expectations gap' between the knowledge acquired by a student and the tax knowledge which employers expect of them. It was found that educators (especially 'new' – post 1992 – universities) think that they know what is needed in terms of tax education, but the results show otherwise. When considering old universities (pre-1992), employers at that time knew what it is they would be getting from these universities. However, the end result didn't necessarily coincide with employers' preferences (Miller & Woods, 2000:223-224).

The central focus of their study was concerned with a comparison of the learning outcomes from tax courses, with employers' experiences of what students appear to have learned about tax from the university courses. Educators were asked to rank certain attributes that corresponded closest with their learning outcomes. While employers on the other hand were asked to rank, based on their past experience, which attributes they would expect from a graduate who took a taxation course at university (Miller & Woods, 2000:228).

In addition to the above, the effect of exemptions from the examinations by professional bodies was also investigated. Professional accounting bodies accredit some university tax courses for the purpose of exemption from part of their professional examinations. It was found that most courses of the old universities sector did not carry any exemption whereas the opposite was true for the new universities.

It was also found that courses that carry exemption credits included more emphasis on tax computational abilities. Educators were asked to evaluate the effect of an exemption on their course. This credit-bearing process of exemptions was perceived as improving the students' employment prospects. More logically the exemption benefit was believed to attract more students (Miller & Woods, 2000:234-235).

A critical question relating to the type of training was asked of both educators and employers. The question was specific and to the point, "Should universities be offering vocational tax training?" (Miller & Woods, 2000:236). In this sense vocational training was simply defined as the practical preparation of students for a career in a specific occupation. By comparison to the educators' predictions and that of the employers' actual experience it was revealed that employers mainly used their graduate recruits to prepare simple computations and deal with administrative matters. It was also found that employers believed that students were unwilling or unable to perform basic tax planning points as the scenarios were never as well thought-out as the text book scenarios encountered during their studies at university (Miller & Woods, 2000:236).

It was found that the majority of educators were not against vocational training as part of degree programmes, provided that these skills could be academically tested as part of the normal content that would lead to the development of a student's transferrable skills that includes the ability to critically analyse and synthesise (Miller & Woods, 2000:236).

Overall educators' opinions differ mainly depending on whether they were classified as 'old' universities (pre-1992) or 'new' universities (post-1992). Both ranked an appreciation of the general scheme of UK tax as a priority. The ability to prepare computations was ranked eighth out of 14 by old universities and second by new universities (Miller & Woods, 2000:230). Their overall results indicated that graduates who studied taxation at

'old' universities met the expectations of the employers but the employers' preference appeared to be in favour for the type of course offered mainly by the 'new' universities (Miller & Woods, 2000:238-239).

Therefore it could be argued that employers to a certain extent can predict what they will get from a newly qualified candidate with a certain type of degree, i.e. Accounting degree, Engineering degree or a Law degree. However it does not mean that it is necessarily what employers need. This may very well be the case with the tax profession in South Africa. The content and coverage of tax education is further explored below.

2.4 TAX EDUCATION

In this section the content of tax courses are investigated with a brief overview of the reasoning and development thereof. The curriculum as developed for a tax practitioner is briefly reviewed and some regard is given to the opinions of tax educators and employers.

2.4.1 Content coverage of the first tax course

The dilemma of what a student should be taught has been a much-debated subject internationally since the 1960s. The first survey-based research into what should be included in a tax course was performed by Professor O.L Gray (Gray, 1965).

The purpose and method in order to secure facts, opinions and perspectives concerning the subject of collegiate tax offerings was achieved by sending out a nationwide questionnaire to all chairmen of accounting departments holding membership in the American Association of Collegiate School of Business (Gray, 1965:204). It was recognised in this survey that tax instructors represented only one of several groups who had a vital interest in the orientation of the tax offerings. The covering letter attached to the questionnaire did not attempt to define the issues regarding the appropriate direction of the tax offering. Because of this fact it was probable that the respondents did not have a common view of the issues and alternatives faced in setting objectives and approaches to the tax offering (Gray, 1965:205).

The primary emphasis of the questionnaire was placed upon the first or basic course in taxation. The reason for this being that there is usually more than one tax course in a programme and the study aimed to obtain specific data with respect to the first tax course/offering made available to accounting and non-accounting programmes. The author's findings revealed that educators in the past ranked the importance of areas that should be covered in the first tax course as follows (Gray, 1965:205).

Table 4: Broad objectives that should be covered in the first tax course

First	Understanding the current provisions of the tax law
Second	The history and the philosophy of income tax
Third	Tax ethics and economic aspects
Fourth	Economic Aspects
Fifth	Researching tax problems
Sixth	Preparation of tax returns

The author further noted that factors such as the number of tax courses customarily taken by a student or the particular orientation of the course toward the student (i.e., a professional approach for accounting majors or a generalised approach for business and non-business students) may affect the emphasis and approach of the tax offering (Gray, 1965:205).

The findings were segregated for enrolment distribution between courses oriented toward the general student and courses orientated toward the accounting student. The replies from schools that do direct their courses were filtered for the number of non-accounting students enrolled. Based on the replies received from schools only a few general business or non-accounting students take courses in taxation. This was the case even if the course were generalized and oriented primarily toward business students (Gray, 1965:206-207).

From the preceding summary the study didn't necessarily approach the issue from a perspective of what educators deemed to be important to the employer. However, it did make a valuable contribution to the objectives and approaches being considered necessary by the educator. It furthermore pointed out that accounting-based students were more likely to be the ones pursuing a career in taxation and that ultimately the learning outcomes of accounting qualifications would impact on the curriculum required to develop a tax specialist. The latter is discussed below.

2.4.2 Curriculum required to develop a tax specialist

The introductory paragraph of a study performed by Stara *et al.* (1991:79) stated the following: Public accounting firms traditionally perform audit, accounting, tax and consulting functions. The specialists within these functions are generally not recognised by the American Institute of Certified Public Accountants (AICPA), state societies or state boards of accountancy. However, tax specialists are usually recognised within these functions at firm level.

The purpose of the study by Stara *et al.* (1991:79) was to determine if the curriculum offered to a student earning a graduate tax degree from a university or college coincides with the body of tax knowledge. This is determined by professionals designated as tax specialists.

According to Lewis (1989:11) there are two key starting points for recognising specialists within the profession. One approach would be self-designation and the other is by way of an accreditation program based on predetermined standards. (Stara *et al.*, 1991:80) continues by stating that tax specialists recognised within accounting firms are self-designated. The designation is because an individual received tax specific training within the firm or completed a degree with a high concentration of material in taxation. A drawback of self-designation is that there are no consistent criteria or uniform standards of competency and reduction in credibility with the public (Lewis, 1989:11).

Should an accreditation programme recognise specialists, uniform standards should be developed to aid the process of accreditation. The standards should be developed by first identifying a common body of knowledge. This may then be used as a starting point for other individuals who desire to become a specialist (Stara *et al.*, 1991:80).

This is an important point made by Lewis. In South Africa the only profession that closely relates to tax is the accounting profession (and lawyers to a limited extent). The accounting profession in South Africa is governed by SAICA and other professional bodies (SAIPA, ACCA, ICB). A study has already been performed around the syllabus and

requirements of the employers, with regard to taxation standards as set by SAICA. Currently there is no set of standards or a professional body that regulates any individual claiming to be a tax specialist of practitioner (SAIT, 2010). This fact is arguably the reason why educators have no clear-cut standards on which to benchmark their learning outcomes and hence educators base their curriculum and approach on their own perceptions of what is needed and preferred in public. However, there is a body called the South African Institute of Tax Practitioners (SAIT) but this is a voluntary body. Unlike IRBA and the FSB, this professional body is not established by legislation and therefore is classified as a voluntary body (SAIT, 2010). The SAIT is discussed in more detail later in the literature review

Stara *et al.* (1991:80) continued performing research by comparing existing curriculums for graduate tax programs. The different postgraduate tax programs were investigated and analysed. Based on the findings the authors assumed that a common body had been identified and the curriculum required to earn a degree reflected that common body of knowledge.

Stara *et al.* (1991:84) aimed to extend on previous research by placing more focus on what post baccalaureate tax courses a practitioner believes are important if an accountant is to perform simple or complex tax engagements. In addition to this respondents were asked to motivate their preference towards professional skill development, degree designation, and optimal time to pursue the degree and the method of advancing tax education. According to Stara *et al.* (1991:84) these issues would provide additional insight into practitioners' preferences.

Overall the results indicated that substantial differences in opinions existed as to what courses are offered by graduate programs and what courses are perceived as important by practitioners for individuals who perform simple or complex tax engagements in the first two years of their professional career. Practitioners were in dispute about the content of the courses that were offered regardless if they were meant to prepare students to perform simple or complex tax engagements (Stara *et al.*, 1991:100). Practitioners placed higher preference on students taking more tax courses than those who took less. The courses practitioners favour as important are Corporations & Shareholders, Estate & Gift Taxation,

Individual Taxation, Partnership Taxation, Real Estate, Property and Capital Gains Taxation, Tax Research and Taxes & Business Planning. The courses could be interpreted as being the common body of knowledge (Stara *et al.*, 1991:103). The topics listed herein coincide with the topics recommended for undergraduate tax education as found by Schwartz and Stout (1987:119)

The final results of the study indicated that practitioners perceived an individual as being competent to perform complex tax engagements when the individual took 13 tax courses rated as important. Normally only four of the 13 subjects are offered in existing graduate tax programs. The authors indicated that such a comprehensive tax education might be an unreasonable expectation. There is no substitute that can totally compensate the experience individuals receive in their first two years of their professional careers. The findings further revealed that there are six basic courses that are perceived as important by practitioners and generally four of these are offered. The courses are Corporations & Shareholders, Individual Taxation, Partnership Taxation and Tax Research. These courses may represent a fair education expectation for graduate education (Stara *et al.*, 1991:103). Since there is no formal body regulating the requirements of the tax profession, the opinions of practitioners and educators are further investigated below.

2.4.3 Analysing opinions of practitioners and educators

In 1987 Schwartz and Stout (1987:112) made the following remark: "...educational institutions have not responded appropriately in the past to the needs of the profession...." They identified, as part of the problem, that there was a lack of reliable knowledge concerning the perceived importance of various tax issues by practitioners. Schwartz and Stout (1987: 113-114) summed up several surveys reported during the years 1965 to 1986. They came to the conclusion that these surveys were useful and attempted to influence the direction and context of tax education requirements.

Schwartz and Stout (1987:112) attempted to analyse the opinions of three separate groups namely, tax educators (academics), sole practitioners and partners from public accounting firms. The authors developed and pre-tested a questionnaire that was designed to obtain the opinions of practitioners and tax educators on a variety of tax

education issues. Looking at an entry level accountant the respondents of the study were asked to rate the level of preparedness[2] with respect to taxation. Based on the results shown in Table 5 below it was found that only a small portion was in fact considered to be prepared. Accounting educators were of the opinion that the level of preparedness was better than did either of the practitioner groups (Schwartz & Stout, 1987:116).

Table 5: Level of Preparedness

Respondent Group	Highly Prepared	Prepared	Marginally Prepared	Not Prepared
Sole Practitioner	0%	4%	64%	32%
Partners in CPA firms	0	8	61	31
Accounting Educators	0	20	73	7
Overall	**0%**	**12%**	**67%**	**21%**

Respondents were asked to indicate how many courses in taxation they believe are required from a person who completes a degree in accounting to perform effectively in entry level auditing or accounting positions. The emphasis was placed on the actual hours that the students should spend on taxation and to specify what percentage of time should be spent on a specific topic. From the response the authors received there was a strong consensus that the number of tax courses to be taken should be two to adequately prepare entry-level accountants (Schwartz & Stout, 1987:116-118).

Schwartz and Stout (1987:120-121) made the following deductions from the results of the study. It indicated that there was considerable agreement on various tax education issues such as the level of preparedness, the proportion of coursework that should be devoted to certain general categories of courses, the relative mix of instructional techniques to be used in the classroom and the percentage of time devoted to various topics in tax classes. The authors' final conclusion stated that there were fundamental differences between practitioners and educators (Schwartz & Stout, 1987:121)

[2] The level of preparedness refers to that which is expected of a typical entry-level individual with an undergraduate degree in accounting with respect to taxation (Schwartz & Stout, 1987:116).

The study by Schwartz and Stout (1987:112-121) was based from an accounting major perspective. It focused specifically on taxation as a subject as part of an accounting major but it did not focus on the expectations placed on students who enter into the tax profession in its own right.

2.4.4 Study performed in New Zealand

A study performed in New Zealand by Tan and Veal (2005) sought to examine the content coverage of first tax courses in New Zealand.

In New Zealand the Institute of Chartered Accountants of New Zealand (ICANZ) specified a set of learning outcomes for the compulsory taxation element much like South Africa's own professional body, SAICA, which also sets a curriculum. The learning outcomes specified are basically more like guidelines and more general as opposed to being strictly prescribed criteria. Hence an opportunity was created for ICANZ approved tertiary educational institutions (ATEIs) to develop their own set of tax curricula and preferred teaching methods. As a result of this the content of the tax programme depended on the tax educators' perceptions of the level of conceptual knowledge and technical skills required (Tan & Veal, 2005:29).

One of the authors' key focus areas was to measure the preference between conceptual knowledge and technical ability. From their results they compared the scores of each individual topic based on the level of conceptual knowledge and technical ability required. From this it was evidenced that practitioners as well as educators perceived that a higher level of conceptual knowledge is required compared to the required technical ability. In this case the educators' perceptions actually matched the expectations of the employer (Tan & Veal, 2005:29).

Additional questions were posed to educators who were also course co-ordinators or controllers who are usually responsible for the layout and content of a specific course (Tan & Veal, 2005:38) The authors formed a conclusion that with only a general outline provided by the ICANZ of the learning outcomes, the level of conceptual knowledge and technical ability purely relied on the perceptions of the educators (Tan & Veal, 2005:38).

Tan and Veal (2005:28) survey's results show that both educators and employers had strong correlation in their perceptions of what is expected and no significant differences were noted. In addition to the above-mentioned findings, the results indicated that tax educators exposed their students to a wide range of topics but the details attended to were not up to standard with the expectations of the employers (Tan & Veal, 2005:41).

The authors concluded that both educators and employers placed a higher level of conceptual understanding of the taxation topics above technical proficiency. It was noted that this finding was in contrast with the US and UK, which follow a more constricted focus and heavier emphasis on performing tax computations (Tan & Veal, 2005:41). South Africa pursues a similar approach as the USA and UK when it comes to focusing on computational ability and completing tax forms (Coetzee & Oberholzer, 2006:438).

A final consideration was that the authors praised those tax educators who placed great emphasis on the students' development of generic skills. The use of case studies, group learning, problem solving, written assignments and oral presentations all helped toward such development (Tan & Veal, 2005:42). This study aims to identify generic skills that from an educator's perspective are deemed to be important. As part of identifying the theoretical skills and generic skills deemed to be important, an understanding of the current tax education available in South Africa first needs to be attained.

2.5 TAX EDUCATION IN SOUTH AFRICA

In this section current tax education available in South Africa is briefly visited to attain an understanding of what is currently available and is required to obtain a qualification therein.

2.5.1 Formal education available in South Africa in the discipline of taxation.

There has been little formal, peer-reviewed research in the field of tax education in South Africa (Joubert, Coetzee & Oberholzer, 2009:19). Coetzee and Oberholzer (2006) were the first to perform an exploratory study to determine which important tax topics should be

taught at universities in South Africa. Their study focused on the trainee accountant and the requirements as set out by SAICA. Their study was further limited to a geographical region, namely Pretoria, South Africa. They found that the majority of the respondents were of the opinion that knowledge levels of 'entry level' accountants were adequate. It was stressed that there is much needed improvement on their study (Coetzee & Oberholzer, 2006:438).

Joubert *et al.* (2009:19) expanded on the study by Coetzee and Oberholzer (2006) by increasing the target population to all of the SAICA-accredited firms over the whole of South Africa. It was found that SAICA was largely meeting the requirements of both Training Inside Public Practice (TIPP) and Training Outside Public Practice (TOPP) environments although the inclusion of certain topics could merit reconsideration (Joubert *et al.*, 2009:28). During analyses of the differences between offices using TIPPS and TOPPs it was noted that general tax knowledge, company tax and value-added tax ranked as the three most important topics for both training schemes. The topics labelled as least important included taxation of co-operatives, international tax, customs and excise duty, taxation of foreign entertainers and sport persons, taxation of ship and aircraft owners/charters, taxation of film owners, taxation of mines and taxation of long-term insurers. These topics are governed by the requirements of SAICA and although these topics may not be important for TIPP and TOPP training schemes, might be very relevant for the tax practitioner.

An exception was noted by the fact that the taxation of recreational clubs and public benefit organisations and farming activities are considered to be important by TIPP firms (Joubert *et al.*, 2009:28). This is an example of topics that are perceived not to be important by the educator, but are important in practice. Both of the above studies (Joubert *et al.* 2009; Coetzee & Oberholzer (2006)) focussed primarily on the required tax knowledge of entry level-trainees from an accounting profession's perspective.

This study seeks to expand on previous studies performed in South Africa by not just focusing on the trainee accountant and the related audit and accounting profession but to expand on the perceptions of the educators of the tax profession in it. The survey is compiled to have a wider focus than the previous studies conducted. To gain an

understanding of what educators could possibly expect in terms of skills acquired, the SAICA competency framework was explored in more detail below.

2.5.2 The SAICA competency framework.

The SAICA competency framework was updated during the 2011 calendar year. In previous years the framework solely relied on a knowledge-based syllabus for assessment purposes. The framework has been extended to include pervasive qualities and skills competencies. The expected level of proficiency is measured with the help of the following levels:

- Level A (Awareness)

  Requires an awareness of the key ideas and principles within the area. Demonstration of technical expertise or detailed knowledge in this area is not required. The candidate identifies and explains the significance of the competency, and the types of circumstances in which it would arise or be applied.
- Level I (Initiates the task)

  Demonstrates an understanding of the requirements of the task and identifies and applies the required professional skills, including basic quantitative and qualitative analyses, to perform the task on a preliminary basis (recognising that a review by more senior staff is still necessary). An intermediate understanding of the subject matter is required. Complex calculations are not required. Integration with other competencies is straightforward and is of limited complexity. Level I includes level A proficiency.
- Level X (Completes the task)

  Completes all elements of a specified task successfully and an advanced understanding of the subject matter is consequently required. Relevant pervasive skills and reflective capacity should be demonstrated at an advanced level. Technical skills expected to be demonstrated at this level include, for example, performing complex calculations and concluding on an appropriate course of action. Proficiency at level X is demonstrated when the problem is clearly identified and thoroughly analysed, or when a situation is evaluated and useful recommendations are made. This level of proficiency includes level A and I proficiencies.

Three distinct and increasingly higher levels of proficiency are identified. Level A requires the lowest proficiency, whereas level X requires the highest. Each of the levels is defined below. The levels indicate the depth of detailed knowledge required of the prospective CA, the extent to which that knowledge is required to be applied and integrated, and the complexity of the problem to be solved in each aspect of this competency (SAICA, Framework, 2011 page 114).

2.5.2.1 *The Pervasive Qualities and Skills*

The pervasive qualities and skills in The Competency Framework combined with the taxation specific competencies area vital relationship that results in the competencies that are unique to the CA profession. Together, they combine to produce the technical excellence, integrity, objectivity and commitment to public interest for which the CA profession is known.

Table 6: Summary of generic pervasive quality and skills required to become a CA (SA)

Category	Pervasive quality and skills	Level of Proficiency
Ethical Behaviour and Professionalism	• Protects the public interest. • Acts competently with honesty and integrity • Carries out work with a desire to exercise due care. • Maintains objectivity and independence • Avoids conflict of interests. • Protects the confidentiality of information. • Maintains and enhances the profession's reputation. • Adheres to the rules of professional conduct.	X
Personal Attributes	• Self-manages. • Demonstrates leadership and initiative • Maintains and demonstrates competence and recognises limits. • Strives to add value in an innovative manner. • Manages change. • Treats others in a professional manner. • Is a life-long learner. • Works effectively as a team member. • Manages time effectively.	X

Professional Skills	• Obtains information • Examines and interprets information and ideas critically. • Solves problems and makes decisions. • Communicates effectively and efficiently. • Manages and supervises. • Understands how IT impacts on a CA's daily functions and routines. • Considers basic legal concepts. • Understands the national and international environment.	X

(Source: SAICA Competency framework page 117)

The above table illustrates various pervasive qualities and skills. The lists of personal attributes coincide with those listed in

Table 3. The questionnaire utilises both these lists and the common attributes of both are included in the questionnaire. This is further discussed in chapter 3.4.3.6.

2.5.2.2 *Competencies in Taxation*

The competency framework with regard to taxation specifically includes the following list of predetermined competencies with a level of competency. This list coincides with the list of practical skills included in the questionnaire.

Table 7: List of taxation competencies as prescribed by the SAICA framework with expected level of proficiency

Competency		Level
Analyses the taxpayer's tax profile and identifies general tax issues	1.1. Understands the taxpayer's tax profile	X
	1.2. Identifies and advises on compliance and filing requirements	X
	1.3. Describes other types of administrative requirements	A
Prepares and files necessary returns in accordance with legal requirements	2.1. Calculates income tax payable for an individual	X
	2.2. Calculates other income subject to tax for an individual	X
	2.3. Calculates taxes payable by a company	X
	2.4. Calculates other taxes payable by a company	X
	2.5. Calculates value added tax payable by a vendor	X
Practises effective tax planning to optimise after-tax	3.1. Identifies, analyses and advises on specific tax planning opportunities for individuals	X

returns	3.2. Identifies, analyses and advises on specific tax planning for shareholders of companies	I
	3.3. Identifies, analyses and advises on financial and estate opportunities for individuals and their families	I
	3.4. Analyses tax consequences for non-residents	I
	3.5. Identifies, analyses and advises on tax consequences or opportunities associated with certain corporate transactions	I
	3.6. Analyses tax consequences of other corporate restructuring transactions	A
Prepares information to respond to assessments, files and appeals and provides general advice on tax administration		I
Able to interpret tax legislation by applying decisions of the relevant courts that deal with tax issues		X

(Source: SAICA Competency framework page 117)

Based on an analysis of the competencies listed in this Table 7 compared to the list of practical skills developed by Doman (2011:39), it was found that it was very similar in nature. The list as shown above goes one step further by expanding on a specific practical skill. For example, the competency: *Prepares and files necessary returns in accordance with legal requirements* are split between the preparation of a tax calculation specifically for an individual or a company. The list from Doman (2011:39) merely states the ability to prepare a tax computation that is arguably the same. For reasons set out in Chapter 3.4.3.5 the list developed by Doman (2011:39) was used as basis to develop the questionnaire used in this study.

The origin and role of the SAIT is briefly discussed below. This is done as it represents the closest body currently in existence that represents only tax practitioners in practice. An investigation of what the SAIT expects of tax practitioners for them to become a member is briefly visited.

2.5.3 The South African Institute of Tax Practitioners (The SAIT)

As indicated above, South Africa currently has a voluntary body called the SAIT. This body was established due to the needs of the tax profession and the general public identified

within South Africa. The institute was established in line with international best practice and is also a member of the International Tax Director's Forum (ITDF) (SAIT, Not dated).

SAIT is a non-profit voluntary body that provides service to its members and the general public. The body is controlled by a board the directors of which are elected by the members of this body. It should be noted that there is currently a draft bill called the Tax Practitioners Bill that constitutes a statutory body called the Independent Regulatory Board of Tax Practitioners (IRBTP). The IRBTP controls that part of the tax profession involved in public practice in South Africa. This is much like the IRBA that controls auditors in public practice in South Africa (SAIT, Not dated).

The purpose of this bill is to establish the regulation of the profession and to ensure that tax practitioners are appropriately qualified. It also forces practitioners to have the necessary experience and adhere to the ethical practices. If there should be non-compliance a tax practitioner shall be held accountable in their professional conduct (Section 2 of the Revised Draft Regulation Tax Practitioners Bill 2008).

Although it could be said that the SAIT represents tax practitioners of South Africa, it does not determine what is expected of educators and it does not prescribe a syllabus or something similar. Hence at this stage educators are left to their own devices to decide what they perceive to be important. The SAIT has implemented different levels of membership for different criteria needing to be met before a person is eligible to register under such a level. The various levels and requirements are briefly discussed below.

2.5.4 Voluntary membership at the SAIT

To register as a member with the SAIT there are certain criteria required of any individual who wishes to register. Currently membership is split into four different levels. Depending on each individual's skill set and professional requirements the levels with their respective criteria are set out below from highest to the lowest ranking:

Level 3: Master Tax Practitioner MTP(SA)

- Member Profile: Individuals practising advanced taxation

- Admission Requirements - Evidenced by a Portfolio of Evidence / Thesis:
    - Postgraduate H.Dip (Tax) and relevant basic accounting course or equivalent accounting course part of B-degree OR
    - M.Com (Tax) OR
    - LLM (Tax) OR
    - Level 2 GTP(SA) PLUS evidence of advanced taxation competence OR
    - LLB and relevant basic course in accounting

PLUS

- For all options above three years verifiable postgraduate practical tax experience (including the provision of tax tutoring / tax lecturing / tax practical training)

  (SAIT, 2011)

As may be noted this level requires a substantial amount of time relating to practical experience including the teaching of tax. For purposes of this study this level is not relevant as it does not best answer the research objectives.

Level 2: General Tax Practitioner GTP(SA)

- Member Profile: Individuals involved in the tax departments of accounting and/or auditing practices, tax consultants, public officers of companies, Inland Revenue officials, and legal practitioners .
- Admission Requirements – Evidenced by a Portfolio of Evidence / Thesis:
    - Entry for full members of SAICA, SAIPA, CIMA, ACCA, LSSA
    - PLUS relevant current practical tax experience OR
    - Advanced Certificate in Tax PLUS relevant current accounting and commercial law competence, OR
    - Equivalent Programme in Taxation PLUS relevant current accounting and commercial law competence

  (SAIT, 2011)

This level is considered to be relevant for purposes of this study as it involves a minimal or no level of practical experience and mostly focuses on some level of tax competence.

Level 1: Tax Technician TT(SA)

- Member Profile: Individuals requiring a foundational knowledge of taxation, especially in terms of practicing as tax compliance officers
- Admission Requirements – Evidenced by a competent result in the compulsory Professional Entrance Examination for individuals with the following verifiable technical and practical expertise:
    - ICB Full Membership PLUS relevant current practical tax experience OR
    - Certificate in Tax PLUS relevant current practical accounting competence OR
    - Equivalent Course in Taxation PLUS relevant current practical accounting competence.

(SAIT, 2011)

This level is considered to be relevant for purposes of this study as it requires the individual to have completed a tax course and to successfully complete the compulsory Professional Entrance Examination prescribed by the SAIT, (SAIT, 2011).

Student Membership

This level is not considered to be relevant as it does not best answer the research objectives.

From the above it is clear that the SAIT currently relies on other training programmes and memberships to other voluntary bodies that have set expectations of its members. The study seeks to identify what educators perceive to be important from an employer's perspective.

2.6 CONCLUSION

This chapter therefore successfully critically analyses previous research studies in so far they relate to tax education, expectations from both the educators and employers perspective and the development of the tax profession locally and internationally. The remaining chapters aim to address the remaining research objectives

CHAPTER 3

3 RESEARCH DESIGN AND METHODS

3.1 INTRODUCTION

In chapter 2 it is evident that different opinions exist regarding the level of technical knowledge, conceptual knowledge and skills that a newly qualified student should have. Consequently the perceptions of tax educators teaching tax to newly qualified candidates should be determined. In this chapter the overall research design, method of sampling and the method of data collection is described for purposes of the exploratory study. In addition, the link between the research questionnaire and the research objectives is highlighted. An explanation on the method of techniques used to analyse the data gathered, is provided.

The chapter concludes with a discussion of the methods applied to ensure quality and rigidity of the research objectives. This includes a short overview on ethical considerations that were considered and applied in this study.

3.2 DESCRIPTION OF INQUIRY STRATEGY AND BROAD RESEARCH DESIGN

The inquiry strategy employed to address the research objectives is a combination of survey research and comparative study. Survey research “involves acquiring information about one or more groups of people – perhaps about their characteristics, opinions, attitudes, or previous experience – by asking them questions and tabulating their answers. The ultimate goal is to learn about a large population by surveying a sample of that population; ..” (Leedy & Ormrod, 2010:187). Saunders, Lewis and Thornhill (2009:144) explain that surveys are popular as they allow for a large amount of data from a sizeable population. Mouton (2001:154) describes comparative studies as studies focusing “on similarities and (especially) differences between groups of units of analysis.”

This specific approach is selected as the survey facilitates the capturing of the participants' perceptions. The surveys are used in a comparative study that allows for the benchmarking of the various perceptions obtained from the participants. This approach therefore helps to meet the research objective of determining the level of theoretical knowledge and practical skills as well as the personal attributes that an educator would expect an employer to value most.

The research design chosen for purposes of this study has the following properties. The study may be classified as empirical as new data (primary data) is collected and analysed. It is basic (pure/fundamental) research as pure research is defined by Saunders *et al.* (2009:588), as "Research undertaken purely to understand processes and their outcomes, predominantly in universities as a result of an academic agenda, for which the key consumer is the academic community." This study is aimed at understanding what perceptions educators have about the needs of employers and is not trying to determine if there is an expectation gap. It is exploratory study in nature as this type of research is defined by Saunders *et al.* (2009:) as "Research that aims to seek new insights into phenomena, to ask questions, and to assess the phenomena in a new light." Perceptions of employers with regard to tax topics a trainee accountant should know have previously been studied in South Africa but not using educators as the unit of analysis.

Therefore educators' perceptions are explored to obtain new insight on this phenomenon. The aim of the study is not to generalise the results to the whole population. This study is cross-sectional which is defined by Saunders *et al.* (2007:595) as "The study of a particular phenomenon (or phenomena) at a particular time, i.e. a 'snapshot'."

A survey is conducted only once on the selected participants and not at different points in time. The study focuses on the perceptions that educators currently place on the needs of employers. An ex post facto design is followed. The pre-existing independent variable, namely educators teaching tax at an academic institution, is explored. The extent to which this independent variable may affect the dependent variable of interest, namely the perceptions of the educators, is to be studied.

Primary data defined by Saunders *et al*. (2007:607) as "Data collected specifically for the research project being undertaken." is to be used. The primary data will be captured via the use of an e-mail survey. Questionnaires are described as a data collection method where persons are asked to reply to the same set of pre-determined questions (Saunders et al 2007:608). The perceptions in this case being quantitative data received in the form of numeric data, will be studied (Saunders et al 2007:145).

The research in this study is representative of basic research defined as research where the purpose of the research is to better explain the research objectives. The primary user of such research is typically a person in the academic environment (Saunders et al 2007:592).

This study was based on previous studies performed by Coetzee and Oberholzer (2009:421 – 441), Miller and Woods (2000:223-241) and Carter (1985:135-149). However, the questions designed by Doman (2011) were used as the backbone, and adapted to the target population of this study to gather the relevant data.

3.3 SAMPLING

This study focuses on the current perceptions of tax educators in respect of the expected level of certain skills, qualities and attributes. The study was conducted by only focusing on tax educators providing formal tax education at the institutions as listed in Table 1. The findings of this study consequently cannot be applied to all institutions providing some form of tax education.

3.3.1 Target population

Directing the questionnaire to an informed individual is crucial to the success of survey research because it increases the response rate and ensures the quality of the responses (Benke & Street, 1992). The target population is the individual heads of department employed in the tax departments of the institutions in Table 1. Similarly if there is no separate tax department, the target population includes the subject head responsible for the teaching of tax. As an alternative, the questionnaire may be completed by the most experienced senior tax lecturer who is in a position to comment on the questionnaire.

The aim is to obtain only a single response from each institution. This is because the study aims to gain an understanding of the institution's view (also referred to as a "house view") on the expectations and not the personal view of the person responding to the questionnaire (Terre Blanche and Durrheim, 2002:37).

3.3.2 Units of analysis

The units of analysis are the heads of department, subject head or the most experienced tax lecturer (as identified by the HOD or subject head) and deemed the appropriate person to respond to the questionnaire by the head of department to express a house view. In this study there is thus no difference between the target population and the units of analysis.

3.3.3 Sampling method

The process of selecting samples is usually based on the assumption that the sample is chosen statistically at random. Sometimes in business research it may not be possible to determine the sampling frame (Saunders *et al.,* 2009:233). This means that the sample needs to be selected in another way. For this reason non-probability sampling will be used as this study does not require that the characteristics of the population be estimated statistically from the sample (Saunders *et al.,* 2009:233). This study focuses on exploring the perceptions of the individuals in listed units of analysis, making comparisons and not generalising the sampling results to minor institutions. Purposive sampling has been chosen as this allows judgement to be used when selecting the different educators included in the sample and is used when the researcher believes that the research questions are most likely to be answered by using this method (Saunders *et al*., 2009:237).

The limitation of purposive sampling is that it is not necessarily considered to be statistically representative of the total population (Saunders, *et al*., 2009:239).

The motivation behind the use of purposive sampling and consequently specifically selecting only these institutions, is that the specifically identified institutions would in all

probability have a higher number of students graduating in an academic year. As employers will more than likely employ one of these students the perceptions of these educators are deemed to be the most valuable.

The universities listed in Table 1 are all accredited by SAICA. This means that all of the listed universities as at 2012 offered a programme that allows access into Part 1 of the qualifying exam (SAICA, 2012). This requirement is used as a basis to limit the target population to universities that offer a SAICA accredited programme. Consequently institutions that are not accredited with SAICA were excluded from the scope of this study. This empirical research project is a descriptive study of people (educators) who in the HOD's opinion are in the best position to comment on the perceptions that educators believe are important to the employer.

While the HOD is ultimately responsible for a department or a subject head is responsible for the subject discipline of taxation, the person who actually educates the students is not necessarily the HOD. This survey requests the HOD to distribute the survey to the educator who in their opinion is in the best position to comment on the perceptions that tax educators have of the requirements expected by the employer. This means that the survey may be completed by the HOD, a subject head or a senior lecturer.

Selecting this target population, therefore, best enables the researcher to answer the research questions of this study. Due to the fact that this is a relatively small population, the researcher decided to survey the entire population. The entire population consists of 12 tax educating institutions. The aim was also to obtain a 100% response rate.

3.4 DATA COLLECTION

The relevant data to address the research objectives of this study was obtained by means of a structured questionnaire. The questionnaires, after extensive review, assisted the researcher in gathering primary data as the data is used exclusively for purposes of this study (Saunders *et al.*, 2007:607). As previously mentioned the data consists of quantitative data (Saunders *et al.*, 2007:145).

3.4.1 Survey method

The data is collected via a structured, self-administered e-mail questionnaire. The advantage of e-mailed questionnaires is that this method is cheaper compared to a hard copy document and responses would be captured in electronic format. This eases the distribution of the questionnaire and prohibits any form of personal influence on the completion of the questionnaire. The researcher is not able to bias the participant's responses. Data collected using a survey can be used to suggest possible reasons for particular relationships between variables (Saunders *et al*., 2009:144). The greatest drawback of survey research is the capacity to do it badly (Saunders *et al*., 2009:145).

To conduct this survey, the head of department of the tax department or the subject head of the respective academic institution (with reference to paragraph 3.3.1) was contacted telephonically to request participation in this survey. A telephone call to the head of department was of great importance as the purpose of the call was to fully explain the relevance of the study for both the researcher and the academic institution concerned. A good understanding of the relevance of the study by the head of department would assist in collecting reliable data. Where a head of department could not be reached telephonically a detailed e-mail was sent to the academic institution to request their participation. This was done after ethical clearance was obtained from the Research Ethics Committee as discussed in detail in paragraph 3.7.1.

As the units of analysis included all the heads of departments, the researcher discussed with the head of department the possibility of the questionnaire being sent out to the specific indentified individual(s), on behalf of the researcher. The rationale behind this was that it would probably result in a higher response rate if the head of the department requests the completion of the questionnaire. This therefore prevents a possible low response rate, which is a disadvantage of using questionnaires (Saunders *et al*., 2007:359).

3.4.2 Measurement

The measuring instruments used in this study are the predesigned questionnaires. The latter are designed to address all relevant research objectives and to ensure the answering of the questionnaire is not too time consuming as participants could complete and submit the questionnaire electronically via email.

The questionnaire is based on a questionnaire designed by Doman (2011). Each question is critically analysed and edited accordingly. The edits made are so as to better address the questions posed to the target population of this study as the target population and research objectives compared to the study performed by Doman (2011) are entirely different. The motivation for using Doman's (2011) questionnaire as a basis is that once this study and the study of Doman (2011) have been completed, the results are combined for a future article to be published in an academic journal.

The questions used in the questionnaire were closed-ended questions. They are designed in such a way to provide a number of options to the respondent (Saunders *et al*., 2007:368). It is also useful to ensure that the questionnaire is not too time-consuming as minimal writing is required. In addition, comparison of responses is easier when questions of this type are used (Doman, 2011:31).

3.4.3 Questionnaire design

The questionnaire was designed after an extensive and in-depth literature review was performed. As explained above the questions were mainly derived from the questionnaire developed by Doman (2011:32 - 42). The questionnaire was adapted in such a way that the questions were addressed to educators and the information required was specific in the sense that only tax educators would be able to provide such information. In this section each question asked by Doman (2011:32 - 42) is critically analysed, amended and motivated. Doman's (2011:28) was based on ideas taken from studies performed by Coetzee and Oberholzer (2009), Miller and Woods (2000) and Carter (1985). The questionnaire was further adapted to gain an understanding of the perceptions of tax practitioners in respect of any tax qualification (Doman, 2011:28).

3.4.3.1 *Background to certain design principles of the questionnaire*

As previously discussed, the target population are the individual HOD's of the respective tax departments. Each question developed by Doman (2011) addressed to the head of tax department (from an employer's perspective) is replicated here where after it will be motivated as to whether to use the question or not. If it is decided that it should be used, the question is to be adapted to address the research objectives of this study and it will be appropriately motivated.

In order for the respondent to understand and appropriately complete the questionnaire a covering letter is sent setting out the layout of the questionnaire, definitions and scope. Refer to Appendix C for the actual covering letter. The use of a covering letter is motivated as part of Para 3.6.1 which is discussed below. The questionnaire is split into two sections.

3.4.3.2 *Section 1 - Question 1.1*

"Questionnaire-Head of tax department:
Question 1: Please indicate how many tax specialist employees with tax-related qualifications are currently employed in your firm's tax department." (Doman, 2011)

This question is to a certain extent relevant as it aims to determine the size of the tax department. But the probability of educators disclosing this type information or taking the time to calculate the actual number may be problematic. It may lead to the respondent being unwilling to complete the entire questionnaire. As a result this question is replaced with a more suitable question to address the research objectives.

As part of Para 3.6.1 the question arises of the validity of the data. One of the techniques used to assess whether the data is valid and of a high quality, is to gauge the individual who is completing the questionnaire. This information is not to be used to address the research objectives but rather as a safeguard.

Questionnaire addressed to heads of departments:

To address the question of the validity of the data it is necessary to gauge the experience level of the individual who is completing the questionnaire. For this purpose please complete the following fields?

Please state your current position/capacity:

Highest qualification obtained:

Professional bodies to which you belong:

The significance of this question is to confirm experience level of the individual who is completing the questionnaire. A risk inherently attached to a survey-based study is the question of the validity of the data. It is imperative that the individual, who is completing the questionnaire, has the capacity, the necessary background and experience needed to provide high quality data. This question not so much addresses the research objectives but it remains important from a quality perspective.

3.4.3.3 *Section 1 - Question 1.2*

The original question reads as follows:

"In respect of the compilation of your tax department / unit, please indicate the following by referring to the highest qualifications obtained by tax specialist employees with tax related qualifications:

- Current compilation of your tax department / unit,
- Preferred compilation of your tax department / unit. " (Doman, 2011)

This question is to be used but is adapted. The aim of the question posed by Doman (2011) seeks to determine what the current compilation of a tax department is as opposed to what is the preferred compilation. This question is very relevant in relation to educators who ultimately teach the students filling the market needs in terms of the tax profession. It can be somewhat expected that educators have a perception in terms of which qualification is the most desired by employers, hence the question is used in this study and be adapted to try and reasonably determine what educators perceptions are in this regard.

For purposes of this question the most common qualifications made available by the tertiary institutions listed in Table 1 are replicated here. The respondent is asked to identify

on rating scale basis the qualification that in their department's view is the most sought after qualification required of a newly qualified candidate who wishes to enter the tax profession.

In your view, which qualification from the list below would an employer consider most desirable when hiring a newly qualified candidate? Please indicate your choices with a corresponding number from 1 to 4, where 1 is the most likely preference and 4 is the least likely preference:

Baccalaureus Commercii Accounting or equivalent degree - (Chartered Accountant stream);
Baccalaureus Commercii Honores Accounting or equivalent degree – (Chartered Accountant stream);
Baccalaureus Commercii Tax (Primary subject is Tax) or equivalent
Baccalaureus Commercii Honores Tax (Primary subject is Tax) or equivalent;

Please give reasons for the most preferred choice made in question 1.2 above

If you believe that there is any other qualification (not included in the list above) that an employer would prefer, please list it below and give reasons for your choice:

A third question was asked in the questionnaire by Doman (2011). The question is replicated here:
"Would you prefer newly qualified employees to have a qualification designed to equip them equally with (1) computational ability and (2) the ability to interpret legislation, if such a qualification was available?" (Doman, 2011)

In its current form this question has no significance for purposes of this study. The study will not make use of it as it does not best answer the research objectives.

3.4.3.4 *Section 2 - Question 2.1*

The original question reads as follows:

"From your experience, if a newly-qualified employee had studied taxation as part of their degree, what level of theoretical knowledge, as indicated in the following table, would you, as the employer, normally:

- expect them to have?
- prefer them to have?" (Doman, 2011)

This question is critical in addressing the research objectives stated. The question aims to gain insight on the level of theoretical knowledge expected from a newly qualified employee. This study focuses on the views of the educator and hence this question is adapted to provide insight on the views of the educator. The second part of the question: "prefer them to have" does not address any research objectives and will not be used in this study. At the start of section 2 the participant is informed that this section deals specifically with a newly qualified candidate who has completed taxation modules as part of an undergraduate or postgraduate (honours) qualification.

It was decided to test the opinion of the participant on theoretical knowledge in one question but on two different levels. The question continues where a distinction is made between undergraduate and postgraduate qualifications each with a separate block for indicating the level of expected theoretical knowledge. The combining of the two levels in one question also shortened the physical length of the questionnaire as the list of topics did not need replicating. It can also be argued that completing the question in this format makes it easier to provide an opinion without having to page back and forth to check what was previously completed, thus leaving little room for tainted data. The objective of this question is to best address the research objectives stated above. The end result of the pilot testing lead to the formulation of the question as stated below.

For purposes of this study this question represents question 2.1 under section 2 in the questionnaire:

Section 2

This section specifically deals with a newly-qualified candidate who has completed taxation modules as part of an undergraduate or post-graduate (honores) qualification.

Question 2.1: In your view, as an educator, what level of theoretical knowledge (indicated in the table below) would you expect an employer to value most in a newly-qualified candidate who has completed tax modules as part of their degree or post-graduate degree with the aim of becoming a tax practitioner?

Please use the following scale to indicate your opinion:
1: No level of theoretical knowledge
2: A lower than average level of theoretical knowledge (similar to a level 1 as per SAICA syllabus standards)
3: An average level of theoretical knowledge (similar to a level 2 as per SAICA syllabus standards)
4: A high level of theoretical knowledge (similar to a level 3 as per SAICA syllabus standards)

A generic list of tax topics (theoretical knowledge) was compiled using the studies performed by Coetzee & Oberholzer (2009); and Doman (2011). Using a predefined list of topics will ensure straightforward comparability of data gathered. The list is supplied in table format to participants to easily facilitate the data gathering process. There are 28 different tax topics. The participants will be asked to indicate whether a topic is important or not based on their perceptions. The following Likert scale will be used: 1: No level of theoretical knowledge; 2: A lower than average level of theoretical knowledge; 3: An average level of theoretical knowledge; 4: A high level of theoretical knowledge. Participants were invited to add additional topics to the list if it was deemed necessary. This is done in order to determine the content coverage and to evaluate if there are commonalties between the various institutions.

The list includes the following:
(Please note: Only the specific tax topic is supplied to participant in the questionnaire on the basis that such participant has the appropriate taxation background and knowledge to interpret the topics correctly. The detailed description of topics supplied below is only for information purposes.)

- *Taxation environment of RSA*: An understanding of all the relevant types of taxes that may be imposed in South Africa and how they may impact on various transactions and affect each other.
- *Fiscal framework of RSA:* An understanding of the principles involved in the legislation process.
- *History of taxation:* Knowledge about the development of taxation in South Africa, i.e.: the switch from being a source-based tax system to being a resident-based tax system, and the differences between how items of a capital nature were treated prior to 1 October 2001 and how such items are currently treated for Income tax purposes.
- *Individual tax (excluding capital gains tax):* Knowledge about all the principles related to calculating taxable income and tax payable for individuals.
- *Secondary tax on companies (STC) / Dividend tax:* Knowledge about when STC / dividend tax is payable by companies / shareholders, how it is calculated as well as the administration related to the payment thereof.
- *Company tax (excluding capital gain and corporate rules):* Knowledge about the principles of calculating income tax for companies, i.e.: Gross income, exempt income, deductions, capital allowances and applicable tax rates.
- *Capital gains tax:* Knowledge about the principles of when capital gains tax is payable, i.e. what is a capital gains tax event and how to determine the taxable capital gain for different types of persons.
- *Employees' tax:* Knowledge about the principles applicable when calculating employees' tax for different types of employees, i.e.: directors of private companies, standard employment, as well as the administration surrounding employees' tax.
- *Taxation of expatriates:* Knowledge about the principles applicable when calculating employees' tax and normal tax for expatriates.
- *Fringe benefits:* Knowledge about how different fringe benefits arise and what gives rise to a fringe benefit, the detailed principles to calculate the taxable fringe benefits in different circumstances and how it affects monthly employees' tax.
- *Provisional tax:* Knowledge about the requirements as to when to pay provisional tax, the administration surrounding provisional tax, including penalties and interest and the principles to determine the amount of provisional tax payable.
- *Donations tax:* Knowledge about when donations tax is payable and the exemptions that apply.

- *Lump sum benefits from pensions, provident and retirement annuity funds:* Knowledge about the taxability of lump sum benefits paid by funds or employers at retirement, death or resignation.
- *Estate duty:* Knowledge about when estate duty is payable, how to calculate the dutiable amount, by whom it is payable and the administration related to it.
- *Taxation of trusts (excluding capital gain tax):* Knowledge about the principles of using a local trust or an off-shore trust as a tax vehicle and the provisions guiding the taxing of accruals in the hands of beneficiaries, donators or the trust.
- *Taxation of employment companies:* Knowledge about the employee tax principles applicable on employment companies, i.e.: why a company / trust is classified as a personal service provider or when is a person classified as an independent contractor.
- *Taxation of non-resident branches:* Knowledge about when a non-resident branch is taxed in South Africa, including the principles to determine the taxable income by considering the source as well as the rates applicable.
- *International tax:* Knowledge about the different international tax principles applicable including: the principles to determine when double tax agreements should be applied, principles surrounding controlled foreign companies, principles surrounding thin capitalisation and transfer pricing, the translation of foreign amounts into South African currency for tax purposes and principles surrounding rebates or deductions to prevent double taxation when foreign taxes are paid.
- *Transfer Pricing:* Knowledge about all principles surrounding the effect of foreign transactions between connected persons.
- *Taxation of Public Benefit organisations (PBO) (excluding capital gain tax):* Knowledge about the administration relating to registering a PBO and the principles to which the PBO should comply to qualify for tax exemption.
- *Taxation of farming activities:* Knowledge about the special provisions applicable to farming operations in terms of the First schedule of the Income Tax Act no 58 of 1962.
- *Taxation of long-term insurers:* Knowledge about all the special provisions applicable to long-term insurers.
- *Taxation of retirement funds:* Knowledge about all the special provisions applicable to retirement funds in terms of s 10 (1)(d)(i) and (ii) of the Income Tax Act no 58 of 1962.

- *Value Added Tax (VAT):* Knowledge about the principles of value added tax, i.e.: that it is payable on certain transactions, the calculation thereof, how to determine outputs, inputs and other adjustments as well as the administration of VAT.
- *Transfer duty:* Knowledge about when transfer duty is payable, by whom it is payable, how to determine the dutiable amount and the administration surrounding the payment thereof.
- *Customs and excise duty:* Customs duty - Knowledge about how to classify imports, when customs duty is payable (origin) and on which amount (value). Excise duty: Knowledge about the principles of why excise duty is payable and on which amount.
- *Security transfer tax:* Knowledge about all the provisions applicable to the payment of security transfer taxes, i.e.: when it is payable, on which amount and the administration relating to the payment thereof.
- *Taxation of mining income, oil and gas:* Knowledge about all the special provisions applicable to mining operations and other natural resources.
- *Other topics, please specify:* Knowledge about any other topic which the participant may feel is relevant.

(Adapted from Doman, 2011)

As part of the pilot testing (which is discussed below at para 3.4.4) it was suggested that the following topic also be included in the list of theoretical knowledge.

Turnover Tax: Knowledge of the simplified tax system implemented for small sole proprietors, partnerships and incorporated businesses.

Question 2.1 requests the participant to provide insight on which level of theoretical knowledge he / she believes a newly qualified candidate possesses based on qualifications currently available. The question is set up to test the opinion of the participant on theoretical knowledge in one question but distinguishes between two levels of qualification. A distinction is made between undergraduate and postgraduate qualifications each with a separate block for indicating the level of expected theoretical knowledge. This is done as it is expected that there will be different perceptions on different levels of education.

3.4.3.5 *Section 2 - Question 2.2*

The original question reads as follow:
"From your experience, if a newly-qualified employee had completed Taxation as part of their degree, what level of practical skills, as indicated in the following table, would you, as the employer, normally :

- expect them to have?
- prefer them to have?" Doman (2011)

The question aims to gain insight on the perceived level of practical skills expected from a newly qualified employee. As it is more likely than not that a newly qualified candidate would start fresh out of university, it makes this question very relevant. As a result it would mean that if any such skills are expected, the skills were probably gained during his or her studies at the university by way of formal education. The question is used and adapted as below. The second part of the question: "prefer them to have" does not address the research objectives of this study and will therefore not be used.

For purposes of this study this question represents question 2.2 under section 2 in the questionnaire. Initially the question was designed as follows:
*From your experience, if a **newly qualified student** has completed tax as part of their degree with the aim of becoming a tax practitioner, which level of **practical skills**, as indicated in the following table, would you, as the educator, normally **expect** them to possess,*

After the pilot test several suggestions were taken into account and the end results were as follows:
Question 2.2: In your view, as an educator, what level of practical skills (indicated in the table below) would an employer value most in a newly-qualified candidate who has completed tax modules as part of their degree or post-graduate (honores) degree with the aim of becoming a tax practitioner?

Using the following scale, please indicate your opinion:
1: No level of this skill

2: A lower than average level of this skill (Similar to a level A as per SAICA framework)
3: An average level of this skill (Similar to a level I as per SAICA framework)
4: A high level of this skill (Similar to a level X as per SAICA framework)

A standard list of practical skills is supplied to ensure comparability of data gathered. This list is compiled by considering the study performed by Doman (2011), previous studies conducted in South Africa in respect of the tax knowledge expected of trainee accountants and other studies conducted abroad. Due to the completeness of the list prepared by Doman (2011), it was decided to not alter the list extensively as it has been proven to work effectively. Using a replica of the list ensures future comparability of the results from both this study and the study performed by Doman. The list, supplied to participants in table format, includes the following:

- *Ability to prepare computations by applying current tax legislation and case law.*
- *Ability to review computations by applying current tax legislation and case law.*
- *Ability to identify basic personal and business tax planning opportunities.*
- *Ability to evaluate the impact of taxation on decision-making by individuals and business.*
- *Ability to use different software packages, e.g.: word, excel*
- *Ability to use computer applications, e.g.: e-filing*
- *Ability to perform tax research*
- *Ability to assist in general tax administration, e.g.: returns, objections, etc*
- *Ability to write tax opinions*
- *Ability to reason and solve problems*
- Ability to reason and solve problems with limited guidance.
- *Ability to communicate and negotiate*
- *Other abilities, please specify.*

Question 2.2 requests the participant to provide insight on which level of practical skills he / she believes a newly qualified student with a tax qualification should possess based on the qualifications currently available. The expected level of practical skills indicated by the head of department may be influenced by the current views and the practical skills provided to a student by being educated at the specific academic institution. The

participant is also provided with an opportunity to list other practical skills that in their opinion are considered to be vital. A distinction is made between undergraduate and postgraduate qualifications each with a separate block for indicating the level or expected level of practical skills.

In question 2.2, the participants are requested to indicate the expected level of practical skills in a similar way as in question 2.1 analysed above.

3.4.3.6 *Section - Question 2.3*

The original question reads as follow:
"From your experience, what personal characteristics, as indicated in the following table, would you, as the employer, normally:

- expect newly-qualified employees to have?
- prefer newly-qualified employees to have?" (Doman, 2011)

This question aims to gain insight on the personal characteristics of a potential hire to a employer. All employers search beyond the theoretical skills acquired by an individual when interviewing someone for a vacancy. The development of personal characteristics differs from person to person and is not something that can be formally instilled by an education at an academic institution. However, the SAICA standards have recently been amended and it is now a formal requirement that students develop certain personal characteristics and the student is assessed on these. For this reason the questionnaire was subsequently amended to include this question as it now appears to be a relevant one.

After the pilot test several suggestions were taken into account and the end results were as follows:

In your view, as an educator, which personal attributes (listed in the table below) would an employer look for in a newly-qualified candidate who has completed tax modules as part of their degree or post-graduate (honores) degree, with the aim of becoming a tax practitioner?

Use the following scale to indicate your opinion:
1: No level of this personal attribute
2: A lower than average level of this personal attribute (Similar to a level A as per SAICA framework)
3: An average level of this personal attribute (Similar to a level I as per SAICA framework)
4: A high level of this personal attribute (Similar to a level X as per SAICA framework)

A standard list of practical skills is supplied to ensure comparability of data gathered. This list was compiled based on the study performed by Doman (2011). The list, supplied to participants in table format, includes the following:

- *Ability to prepare / review computations by applying current tax legislation and case law.*
- *Ability to identify basic personal and business tax planning opportunities.*
- *Ability to evaluate the impact of taxation on decision-making by individuals and business.*
- *Ability to use different software packages, e.g.: word, excel*
- *Ability to use computer applications, e.g.: e-filing*
- *Ability to perform tax research*
- *Ability to assist in general tax administration, e.g.: returns, objections, etc*
- *Ability to write tax opinions*
- *Ability to reason and solve problems*
- Ability to reason and solve problems with limited guidance.
- *Ability to communicate and negotiate*
- *Other abilities, please specify.*

Question 2.3 requests the participant to provide insight on which level of personal attributes he/she believes a newly qualified candidate should possess based on qualifications currently available. A distinction is made between undergraduate and postgraduate qualifications each with a separate block for indicating the level of personal attributes.

In question 2.3, the participants are requested to indicate the expected level of personal attributes in a similar way as in question 2.1 analysed above.

3.4.4 Pretesting

The questionnaire was pretested by a number of tax educators, ranging from senior lecturers to professors at the University of Pretoria. All suggested comments and recommendations were evaluated on a case-by-case basis. After the first round of pretesting, the questionnaire was sent to other educators from the University of Pretoria. Again all comments and recommendations were evaluated. Where comments and recommendations had merit, the changes were effected to the questions. As part of the discussion around the questionnaire design, the original question, adapted and designed based on Doman's (2011) study, was replicated. The final question after the first and second review, which was ultimately used in this study, was shown below the original developed question. The changes from before to after should be apparent. Each and every change has not been discussed in detail in this study.

3.5 DATA ANALYSIS

Numerical codes were assigned to all the questions included in the questionnaire. The numerical codes assigned were so designed to match the questions from this questionnaire to the questionnaire prepared by Doman (2011). This ensures future comparability between the results of the two studies. A summary of the data was captured in an Excel spreadsheet format to enable statistical analysis of the data. The spreadsheet also indicated the numerical codes assigned to the questions. The coded responses were then analysed by means of the Statistical Analysis Software (SAS) package (Version 9.2). The analysis was carried out by Mrs Rina Owen, an independent research consultant employed by the Faculty of Economics and Management Sciences at the University of Pretoria. (Refer to chapter 4 for the detailed data analysis)

3.6 ASSESSING AND DEMONSTRATING THE QUALITY AND RIGOUR OF THE PROPOSED RESEARCH DESIGN

To determine whether the data collected is valid and reliable, various criteria and evaluation techniques were complied with. The validity and reliability of the data have a direct influence on the reliability of the conclusion of the study and are therefore of great significance.

To decrease the risk of participant bias, the questionnaires were sent directly to the HOD's or the responsible person who was identified during the telephone conversation described in 3.4.1. Such participants were identified as the decision makers of the relevant tax department or function of the university and the possibility of being influenced by other stakeholders to provide specific answers was therefore minimal.

The design thereof was also discussed with Mrs Rina Owen, a research consultant employed by the Faculty of Economics and Management Sciences at the University of Pretoria. Discussions with, *inter alia* experts in tax research and Mrs Rina Owen were also vital to ensure that the questionnaire was designed in such a way to make accurate predictions and therefore obtain predictive validity (Saunders *et al*., 2007:366).

The participants were also requested to read through the informed consent form at the beginning of the questionnaire (refer Appendix B). The informed consent form is discussed in more detail later in this chapter.

3.6.1 Sources of bias or error influencing the research findings

A type of "interviewer bias" may occur when designing the questions as the researcher may subconsciously ask questions which reflect the researcher's beliefs and frame of reference. Bias may also come through when interpreting the results of the study. Response bias may occur as the participants give answers that they think that the researcher is looking for. (Saunders *et al*., 2009:364-365)

Errors may result if the participants misread or misinterpret the questions and as a result of this respond incorrectly.

3.6.2 Criteria and techniques used to provide evidence for the quality, credibility and rigour in this study

Saunders *et al*. (2009:371) states: a "valid questionnaire will enable accurate data to be collected, and one that is reliable will mean that these data are collected consistently."

According to Saunders *et al*. (2009, 373) reliability refers to consistency. As a structured questionnaire will be used, there will be standardisation that will improve reliability (Saunders *et al*., 2009:373).

Content validity "refers to the extent to which the measurement questions in the questionnaire, provide adequate coverage of the investigative questions" (Saunders *et al*., 2009:373). Construct validity refers to the extent to which the questions in the questionnaire actually measure the presence of those constructs that the researcher intended them to measure (Saunders *et al*., 2009:373). These requirements are met as follows. The questionnaire is based on previous studies and pretested by an academic. This is sufficient to ensure that only vital questions have been asked and nothing excluded.

3.7 RESEARCH ETHICS

Saunders *et al.* (2009, 184) define research ethics as "questions about how we formulate and clarify our research topic, design our research and gain access, collect data, process and store our data, analyse data and write our research findings in a moral, responsible way".

The study is of course voluntary in nature. Participants may at any time withdraw without completing the process. Participants are informed of this fact and not be held responsible.

3.7.1 Ethical clearance from the Faculty of Economics and Management Sciences' Research Ethics Committee.

An application for ethical clearance was submitted to the Research Ethics Committee of the Department of Taxation at the University of Pretoria and subsequently approved. The application included the following:

- Problem statement and research objectives,
- Summary of the research design and techniques,
- A copy of the questionnaire,
- Procedures followed to ensure confidentiality and anonymity of respondents.

Collection of data commenced only after approval from the Research Ethics' committee was obtained.

3.7.2 Informed consent from participants

To ensure that the relevant HOD or subject head consents to distribute the questionnaires to the tax departments, the matter was discussed with the HOD or subject head. Each participant was informed by way of an informed consent form at the beginning of the questionnaire (refer Appendix B) of the following:

- The survey is anonymous as the individual's name does not appear on any document;
- Individual answers are treated as confidential and in no way could a person be identified by the answers provided;
- Participation is voluntary and individuals may withdraw from the study at any time; and
- Information obtained would be used for academic purposes only and may be published in an academic journal.

The participants were requested to indicate in the applicable spaces provided on the form that they had read the informed consent form and understood the information provided therein. By marking the applicable spaces they also gave consent to participate voluntarily. No name was required as it ensured anonymity.

3.7.3 Anonymity of participants and confidentiality of data provided

The respondents were requested to complete the questionnaire manually and scan or fax the results back to the researcher. Each participant received, via email, an electronic copy of the questionnaire and a consent form. The name of respondents was never requested.

The data was also only collected for academic purposes and could only be published in academic journals. This was clearly indicated in the informed consent form (refer Appendix B)

3.7.4 Voluntary participation

It was clearly indicated in the informed consent form (refer Appendix C) that participation was voluntary and that participants had the right to at any time to withdraw from the survey without any consequences. No incentives were offered to motivate participants to participate in the survey.

3.8 CONCLUSION

This chapter discusses the research methodologies used in this study that include, *inter alia*, the overall strategy, sampling, data collection, data analysis, quality control measures and ethics. The chapter concludes that matters discussed above are invaluable in meeting the research objectives of this study. The following chapter continues to discuss the findings based on the methodologies set out in Chapter 3.

CHAPTER 4

4 ANALYSIS OF RESULTS

4.1 INTRODUCTION

By applying the research design and methods discussed above, relevant data in the researchers opinion was gathered, on which the researcher wished to draw conclusions. In this chapter the researcher provides an analysis of the results that came to light from the data gathered as part of this exploratory study. The outcomes of the questions (Section 1 and Section 2) of the questionnaire (see Appendix C) are each discussed separately. Any relationships and differences in the results of the variables in the different questions are also indicated and discussed. As a whole this chapter aims to address the following research objectives of this study:

Table 8: Research objectives addressed in this chapter

Objective 1	To determine in the educators' view which qualifications, as listed in this study, employers would most desire when appointing a newly qualified candidate.
Objective 2	To determine the level of theoretical knowledge and practical skills as well as the personal attributes that an educator' would expect an employer to value most.
Objective 3	To determine the agreement between educators' expectations of an undergraduate and a postgraduate qualification in respect of the level of theoretical knowledge, practical skills and personal attributes that an employer would value most.

The data gathered was analysed by using the Statistical Analysis Software (SAS) package (Version 9.2). The results of this analysis were presented by using the following:

- Tables were used to rank the expected level of theoretical knowledge from high to low. Undergraduates and postgraduates were illustrated separately. The median and the standard deviation for each topic are included in the graphs.
- Graphs were used to indicate which qualification, in the educator's view, is desired the most by employers wanting to employ a newly qualified candidate.
- The number (due to relative small size of the population; n = 11) of participants indicating their expected level of theoretical knowledge, practical skills or personal attributes, were pointed out and discussed, where necessary.

- Where possible, Cohen's Kappa test was used to determine the agreement (Landis & Kock, 1977:160) between the educators' expectations of an undergraduate qualification versus a postgraduate qualification in respect of the level of theoretical knowledge, practical skills and personal attributes. In simple terms, the purpose of the Kappa test in this study was to determine a value (Kappa result) that indicates to what extent the respondents' current views on undergraduate level agree with their view on a postgraduate level. It is suggested by Landis and Kock (1977:165) that Kappa values should be interpreted by using the following labels:

Table 9: Strength of agreement

< 0.00	Poor
0.00-0.20	Slight
0.21-0.40	Fair
0.41-0.60	Moderate
0.61-0.80	Substantial
0.81-1.00	Almost Perfect

Source: Landis and Kock (1977:165)

Note that this test can only be used when certain requirements are met. Firstly, for both the participants' current views and their preferences, the same ratings should be available for selection by participants, for example:

1: **No** level of theoretical knowledge
2: A **lower than average** level (similar to a level 1 as per SAICA syllabus standards)
3: An **average** level (similar to a level 2 as per SAICA syllabus standards)
4: A **high** level (similar to a level 3 as per SAICA syllabus standards)

Further, the researcher should also be able to draw a diagonal line between all the ratings selected by participants in respect of their current views and all the ratings available in respect of their preferences. Thus, where participants did not select all the options, the Kappa test cannot be used.

Table 10: Example of data gathered where the Kappa test can be used

Undergraduates	**Postgraduates**			
	None	**Lower than average**	**Average**	**High**

None	3 participants	1 participants	1 participants	2 participants
Lower than average	5 participants	2 participants	2 participants	5 participants
Average	6 participants	4 participants	4 participants	7 participants
High	4 participants	6 participants	6 participants	1 participants

In Table 10 participants selected all the options and therefore a diagonal line can be drawn and the Kappa test can be used to calculate the agreement between the participants' views relating to undergraduate and postgraduate.

Table 11: Example of data where the Kappa test cannot be used

Undergraduates	**Postgraduates**			
	None	**Lower than average**	**Average**	**High**
None	**0 participants**	1 participants	1 participants	3 participants
Lower than average	**0 participants**	2 participants	2 participants	5 participants
Average	**0 participants**	4 participants	4 participants	6 participants
High	**0 participants**	6 participants	6 participants	4 participants

In Table 11 no participants selected the option of their expectations to be high and therefore the Kappa value cannot be calculated.

- To further analyse the results in respect of the undergraduate and postgraduate level of knowledge, practical skills and personal attributes, the following percentages were determined:
  - The percentage of participants who consider the level expected of undergraduate qualification to be equal to the level expected of a postgraduate qualification;
  - The percentage of participants who consider the level expected of undergraduate qualification to be below the level expected of a postgraduate qualification; and

- The percentage of participants who consider the level expected of an undergraduate qualification to exceed the level expected of a postgraduate qualification.

This was done to best address the research objectives of this study.

4.2 RESULTS OF THE QUESTIONNAIRE

The results of the questionnaires revealed the following:

4.2.1 Analysis of question 1.2

Question 1.2 quoted from the questionnaire

In your view, which qualification from the list below would an employer consider most desirable when hiring a newly-qualified candidate? Please indicate your choices with a corresponding number from 1 to 4, where 1 is the most likely preference and 4 is the least likely preference:

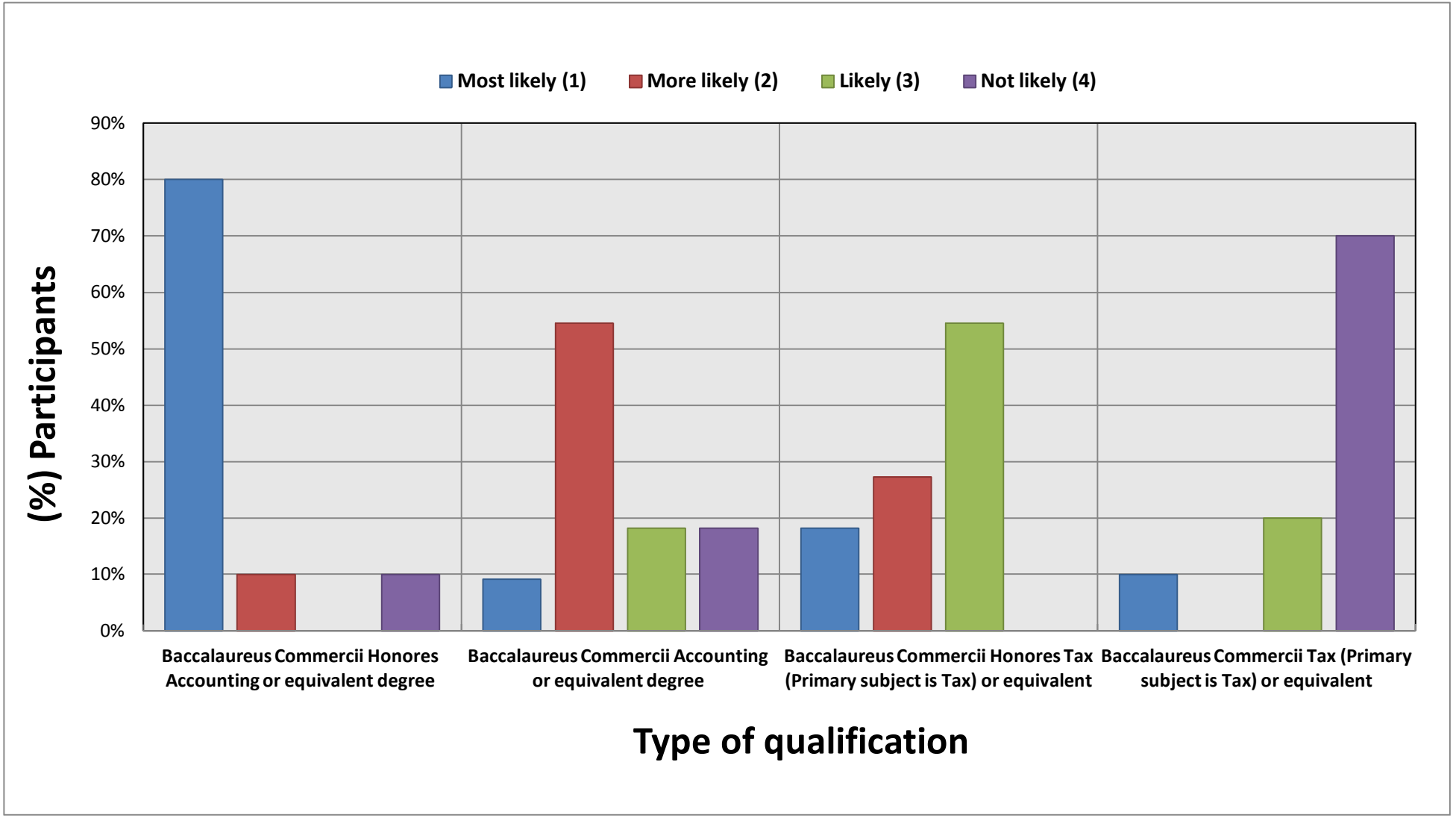
This question was posed to participants to understand in their view which newly qualified candidate with one of the listed degrees would most likely be appointed by an employer as a tax practitioner/person aiming to become a tax practitioner.

Research objectives addressed by question 1.2

- To determine in the educator's view which qualifications, as listed in this study, employers would most desire when appointing a newly qualified candidate.

Graph representing data gathered from section 1.2

Figure 2: Type of qualification preferred by employers



Discussion of the results from section 1.2

The data gathered in respect of the educator's view of the qualification most desirable by employers is valuable to determine in the sense that the educator has intricate knowledge of the content covered by the specific qualification and may indicate which qualification in their opinion best equips a newly qualified candidate to become a tax practitioner. The discussion of the results of this question only highlights the most important points identified:

- Based on Figure 2 it is clear that the most desirable to the least desirable qualification can be ranked as follow:
    - Baccalaureus Commercii Honores Accounting or equivalent degree – with 80% of the participants indicating that a student with this qualification or a equivalent qualification would be most desired by a employer;
    - Baccalaureus Commercii Accounting or equivalent degree - with 55% of participants indicating that this qualification in their view would be the second preferred choice;
    - Baccalaureus Commercii Honores Tax (Primary subject is Tax) or equivalent – 55% of the participants indicated that in their view this would be the third preferred choice;
    - Baccalaureus Commercii Tax (Primary subject is Tax) or equivalent – 70% of the participants indicated that a new qualified candidate with this qualification would be the least likely choice of an employer.
- Based on the above results it would appear that a newly qualified candidate with a BCom Accounting or BCom Accounting Hons qualification would be better equipped with the necessary skills and that a employer would find these options more desirable. Some of the reasons provided by the participants further substantiated the finding as it was indicated that the Honours degree was the most versatile and more recognised qualification.
- Some participants indicated that there are limited employment opportunities for newly qualified candidates with a Bcom Tax or Bcom Tax Hons qualification. It was indicated that a newly qualified candidate with no experience would be better equipped if they had advanced knowledge and integration with other aspects of business (commercial knowledge) and not necessarily specialist knowledge.

- It could be argued that the BCom Tax and BCom Tax Hons qualification with their limited preference should rather be used by students as a stepping stone to gain access to an even higher level qualification like a Masters in Taxation or a Higher Diploma in Tax. A newly qualified candidate with this qualification could arguably sway the preference of an employer. Based on a study performed by Doman (2011, 54) it was indicated that the current composition of tax department mainly consists of Chartered Accountants and persons with an MCom in Taxation. It stands to reason that a student aiming to become a tax practitioner should have prospects to complete an MCom in Taxation to level the playing field with candidates who have followed the Chartered Accountant (BCom Accounting qualification's) route.

From the above it is evident that educators believe that employers are most likely to appoint a newly qualified candidate with a BCom Accounting Honours (or similar) degree and are least likely to be interested in a simple Bcom Tax degree without some additional educational qualification.

4.2.2 Analysis of question 2.1

Research objectives addressed by question 2.1

- To determine the level of **theoretical knowledge** and practical skills as well as the personal attributes that an educator would expect an employer to value most.
- To determine the agreement between educators' expectations of an undergraduate and a postgraduate qualification in respect of the level of **theoretical knowledge**, practical skills and personal attributes that an employer would value most.

Question 2.1 quoted from the questionnaire

This section specifically deals with a newly-qualified candidate who has completed taxation modules as part of an undergraduate or post-graduate (honores) qualification.

*In your view, as an educator, what **level of theoretical knowledge** (indicated in the table below) would you expect an employer to value most in a newly-qualified candidate who*

has completed tax modules as part of their degree or post-graduate degree with the aim of becoming a tax practitioner?

Please use the following scale to indicate your opinion:

*1: **No** level of theoretical knowledge*

*2: A **lower than average** level of theoretical knowledge (similar to a level 1 as per SAICA syllabus standards)*

*3: An **average** level of theoretical knowledge (similar to a level 2 as per SAICA syllabus standards)*

*4: A **high** level of theoretical knowledge (similar to a level 3 as per SAICA syllabus standards)*

Tables representing data gathered from question 2.1 as well as statistical analyses

Table 12indicates the percentage of the participants selecting a specific level of theoretical knowledge that in their view an employer would expect a newly qualified candidate with an undergraduate qualification to have. The topics have been ranked from the highest level to no level expected using the mean as primary measure; the standard deviation was used as a second level of sorting the topics. A smaller standard deviation implies more consistency between the participants in respect of the level of a specific topic. In other words, where the mean was the same for a number of topics, the standard deviation is used to rank those topics from the smallest to the greatest value only for those topics. As a last level of sorting the topics, the median is used from the greatest value to the smallest value if by chance the first and second levels are the same for two or more topics.

Table 12: Ranked theoretical skills expected of undergraduate qualification

Rank	General description of topic	Mean	Standard Deviation	Median
1	Employees' tax	3.6363636	0.504525	4
2	Fringe benefits	3.6363636	0.504525	4
3	Individual tax (excluding capital gains)	3.5454545	0.522233	4
4	Provisional tax	3.5454545	0.522233	4
5	Company tax (excluding capital gains and corporate rules)	3.4545455	0.522233	3
6	Value Added Tax (VAT)	3.3636364	0.504525	3
7	Capital gains and loss (8th Schedule)	3.2727273	0.4670994	3
8	Donations tax	3.0909091	1.0444659	3
9	Taxation environment in RSA	2.8181818	0.7507572	3
10	Secondary tax on companies (STC) / Dividends tax	2.8181818	0.8738629	3
11	Lump sum benefits from pensions, provident and retirement annuity funds	2.8181818	0.8738629	3
12	Estate duty	2.7272727	0.904534	3
13	Taxation of employment companies	2.6363636	0.9244163	3
14	Taxation of expatriates	2.4545455	0.8201995	2
15	Fiscal framework of RSA	2.2727273	0.904534	2
16	Transfer duty	2.2	0.7888106	2
17	Taxation of trusts (excluding capital gains)	2.1818182	0.9816498	2
18	Turnover Tax	2.0909091	0.8312094	2
19	Taxation of non-resident branches	1.9090909	0.5393599	2
20	History of taxation	1.9090909	0.700649	2
21	International tax	1.8181818	0.6030227	2
22	Security transfer tax	1.6363636	0.6741999	2
23	Taxation of Public Benefit organisations	1.5454545	0.522233	2
24	Transfer pricing	1.5454545	0.6875517	1
25	Customs and excise duty	1.4545455	0.522233	1
26	Taxation of retirement funds	1.4545455	0.6875517	1
27	Taxation of long-term insurers	1.1818182	0.4045199	1
28	Taxation of mining income, oil and gas	1.1818182	0.4045199	1

Table 13 indicates the percentage of the participants selecting a specific level of theoretical knowledge that in their view an employer would expect a newly qualified candidate with a post-graduate qualification to have. The topics have been ranked on the same basis as Table 12.

Table 13: Ranked theoretical skills expected of post-graduate qualification

Rank	General description of topic	Mean	Standard Deviation	Median
1	Individual tax (excluding capital gains)	4	0	4
2	Fringe benefits	4	0	4
3	Provisional tax	4	0	4
4	Value Added Tax (VAT)	4	0	4
5	Secondary tax on companies (STC) / Dividends tax	3.909091	0.301511	4
6	Company tax (excluding capital gains and corporate rules)	3.909091	0.301511	4
7	Employees' tax	3.909091	0.301511	4
8	Lump sum benefits from pensions, provident and retirement annuity funds	3.818182	0.40452	4
9	Capital gains and loss (8th Schedule)	3.727273	0.467099	4
10	Donations tax	3.727273	0.467099	4
11	Taxation of trusts (excluding capital gains)	3.545455	0.522233	4
12	Taxation environment in RSA	3.545455	0.687552	4
13	Estate duty	3.363636	0.6742	3
14	Fiscal framework of RSA	3.272727	0.64667	3
15	Taxation of expatriates	3.272727	0.64667	3
16	Taxation of employment companies	3.2	0.63246	3
17	Taxation of non-resident branches	2.909091	0.700649	3
18	Transfer duty	2.7	0.674949	3
19	History of taxation	2.545455	0.522233	3
20	International tax	2.545455	0.522233	3
21	Turnover Tax	2.545455	0.934199	2
22	Transfer pricing	2.454546	0.522233	2
23	Security transfer tax	2	0.894427	2
24	Taxation of Public Benefit organisations	1.909091	0.700649	2
25	Customs and excise duty	1.727273	0.64667	2
26	Taxation of retirement funds	1.545455	0.687552	1
27	Taxation of long-term insurers	1.363636	0.504525	1
28	Taxation of mining income, oil and gas	1.272727	0.467099	1

Table 14 indicates the percentage of participants selecting a specific level of theoretical knowledge that in their view an employer would expect newly qualified candidate with an undergraduate qualification to have, as well as postgraduate qualification.

Table14: Data gathered from section 2.1

Type of theoretical skills	**Undergraduate**			**Post graduate**		
	High level of theoretical knowledge	***Average level of theoretical knowledge***	***Low / No level of theoretical knowledge***	***High level of theoretical knowledge***	***Average level of theoretical knowledge***	***Low / No level of theoretical knowledge***
Taxation environment in RSA	18%	45%	36%	64%	27%	9%
Fiscal framework of RSA	9%	27%	64%	36%	55%	9%
History of taxation	0%	18%	82%	0%	55%	45%
Individual tax (excluding capital gains)	55%	45%	0%	100%	0%	0%
Secondary tax on companies (STC) / Dividends tax	18%	55%	27%	91%	9%	0%
Company tax (excluding capital gains and corporate rules)	45%	55%	0%	91%	9%	0%
Capital gains and loss (8th Schedule)	27%	73%	0%	73%	27%	0%
Employees' tax	64%	36%	0%	91%	9%	0%
Taxation of expatriates	18%	9%	73%	36%	55%	9%
Fringe benefits	64%	36%	0%	100%	0%	0%
Provisional tax	55%	45%	0%	100%	0%	0%
Donations tax	45%	27%	27%	73%	27%	0%
Lump sum benefits from pensions, provident and retirement annuity funds	18%	55%	27%	82%	18%	0%
Estate duty	18%	45%	36%	45%	45%	9%
Taxation of trusts (excluding capital gains)	9%	27%	64%	55%	45%	0%

Type of theoretical skills	**Undergraduate**			**Post graduate**		
	High level of theoretical knowledge	***Average level of theoretical knowledge***	***Low / No level of theoretical knowledge***	***High level of theoretical knowledge***	***Average level of theoretical knowledge***	***Low / No level of theoretical knowledge***
Taxation of employment companies	18%	36%	45%	30%	60%	10%
Taxation of non-resident branches	0%	9%	91%	18%	55%	27%
International tax	0%	9%	91%	0%	55%	45%
Transfer pricing	0%	9%	91%	0%	45%	55%
Taxation of Public Benefit organisations	0%	0%	100%	0%	18%	82%
Taxation of long-term insurers	0%	0%	100%	0%	0%	100%
Taxation of retirement funds	0%	9%	91%	0%	9%	91%
Value Added Tax (VAT)	36%	64%	0%	100%	0%	0%
Transfer duty	10%	10%	80%	10%	50%	40%
Customs and excise duty	0%	0%	100%	0%	9%	91%
Security transfer tax	0%	9%	91%	9%	9%	82%
Taxation of mining income, oil and gas	0%	0%	100%	0%	0%	100%
Turnover Tax	9%	9%	82%	18%	27%	55%

Table 15 presents the results of the statistical analyses, with specific reference to the following:

- Column (1) represents the Kappa results of question 2.1;
- Column (2) represents the participants (%) whose undergraduate level equals their postgraduate level;
- Column (3) represents the participants (%) whose undergraduate level are below their postgraduate level; and
- Column (4) represents the participants (%) whose undergraduate level exceeds their postgraduate level.

Table15: Statistical analyses of question 2.1

Type of theoretical skills	*(1) Kappa*	*(2) Post-Grad = Under Grad*	*(3) Post-Grad > Under Grad*	*(4) Post-Grad < Under Grad*
Taxation environment in RSA	0.25000**	45.45%	54.55%	0.00%
Fiscal framework of RSA	None	36.36%	63.64%	0.00%
History of taxation	None	45.45%	54.55%	0.00%
Individual tax (excluding capital gains)	None	45.45%	54.55%	0.00%
Secondary tax on companies (STC) / Dividends tax	None	72.73%	27.27%	0.00%
Company tax (excluding capital gains and corporate rules)	0.15380*	45.45%	54.55%	0.00%
Capital gains and loss (8th Schedule)	0.24660**	45.45%	54.55%	0.00%
Employees' tax	0.29790**	27.27%	72.73%	0.00%
Taxation of expatriates	0.22220**	63.64%	36.36%	0.00%
Fringe benefits	None	36.36%	63.64%	0.00%
Provisional tax	None	45.45%	54.55%	0.00%
Donations tax	None	54.55%	45.45%	0.00%
Lump sum benefits from pensions, provident and retirement annuity funds	None	72.73%	27.27%	0.00%
Estate duty	None	45.45%	54.55%	0.00%
Taxation of trusts (excluding capital gains)	None	81.82%	18.18%	0.00%
Taxation of employment companies	None	40.00%	60.00%	0.00%
Taxation of non-resident branches	0.32310**	72.73%	27.27%	0.00%

Type of theoretical skills	*(1) Kappa*	*(2) Post-Grad = Under Grad*	*(3) Post-Grad > Under Grad*	*(4) Post-Grad < Under Grad*
International tax	None	72.73%	27.27%	0.00%
Transfer pricing	None	72.73%	27.27%	0.00%
Taxation of Public Benefit organisations	None	36.36%	54.55%	9.09%
Taxation of long-term insurers	0.12000*	27.27%	63.64%	9.09%
Taxation of retirement funds	0.50000***	18.18%	72.73%	9.09%
Value Added Tax (VAT)	None	60.00%	40.00%	0.00%
Transfer duty	None	50.00%	50.00%	0.00%
Customs and excise duty	None	27.27%	72.73%	0.00%
Security transfer tax	None	36.36%	63.64%	0.00%
Taxation of mining income, oil and gas	0.74420****	9.09%	90.91%	0.00%
Turnover Tax	-0.11390	54.55%	27.27%	18.18%

Slight, **Fair, ***Moderate, ****Substantial

Discussion of the results from section 2.1

By analysing Table 12and Table 13 it is evident that certain topics are key or fundamental and a newly qualified candidate can be expected to possess a high level of these skills irrespective of the qualification. The skills that have been ranked as part of the top five and coincide for both undergraduate and post-graduate qualifications include *Fringe benefits*; *Individual tax (excluding capital gains) and Provisional tax.* The topics that do not coincide but form part of the top five are *Employees' tax* and *Company tax (excluding capital gains and corporate rules)* for an undergraduate qualification and *Value Added Tax (VAT)* and *Secondary tax on companies (STC) / Dividends tax* for a post-graduate qualification.

According to the results of Table 12 it is clear that for only 29% of the topics, based on the mean, a newly qualified candidate with an undergraduate qualification can be expected to possess an average or higher level of knowledge. However from the results of Table 13 it is evident that for 57% of the topics a newly qualified candidate with a postgraduate qualification can be expected to possess an average or higher level of knowledge. The general perception that a newly qualified candidate with a postgraduate qualification will be better equipped compared to a newly qualified candidate with an undergraduate degree is arguable in respect of theoretical knowledge.

This point can be further substantiated by the findings in Table 14. The table indicates the percentage of participants selecting a specific level of theoretical knowledge which in their view an employer would expect a newly qualified candidate with an undergraduate qualification to have, as well as postgraduate qualification where for most of the topics (18 out 28), more than 50% of the participants indicated that they expect a newly qualified candidate with a postgraduate qualification to have an average of higher level of knowledge and in, the participants for 16 of the 28 topics (more than 50%) indicated that their expectations of postgraduate qualification exceeded that of an undergraduate qualification.

Based on the results in Table 14 the topics where more than 50% of the participants indicated that a low or no level of theoretical knowledge is expected and the topics in this category that coincide for a undergraduate and a postgraduate qualification are: *Transfer pricing (19); Taxation of Public Benefit organizations (20); Taxation of long-term insurers (21); Taxation of retirement funds (22); Customs and excise duty (25); Security transfer tax (26); Taxation of mining income, oil and gas (27); Turnover Tax (28).*

From the statistical analysis of the data (refer Table 15), the following important matters have been identified:

Apart from the topics for which no Kappa value could be calculated, there was only a slight agreement (between 0.00 and 0.20) between the participants' expectations of an undergraduate candidate versus the expectations of a postgraduate candidate for the following topics: *Company tax (excluding capital gains and corporate rules) – Kappa value of 0.15380 and Taxation of long-term insurers – Kappa value of 0.12000.*

- It should be noted that Company tax is considered to be more of a general tax topic as opposed to the specific taxing nature of long-term insurers. The slight agreement between undergraduate and postgraduate with respect to company tax could be due to misinterpretation of what is covered by the topic *Company tax (excluding capital gains and corporate rules)* on the part of the participant. However, 91% of the participants indicated that they would expect a high level of knowledge from a newly qualified candidate with a postgraduate qualification that shows that there is definite requirement for this topic.

- The slight agreement as shown above is not a cause for concern as the tax profile of the entities to which the *Taxation of long-term insurers* applies is very specific. This is supported by the findings in table 12, 13 and 14 where it was indicated that a low level of knowledge is expected with respect to *Taxation of long-term insurers.*

For one topic, *Turnover Tax,* there seems to be very little agreement between what is expected of undergraduate candidate versus a postgraduate candidate. This could be due to Turnover tax being a fairly new field as this was only introduced to be effective from 1 March 2009 and is mainly applicable to small informal businesses (SARS, not dated). The participants view could also have been influenced based on the expected client base of the newly qualified candidate's future employer A smaller firm or natural person acting as a tax practitioner would generally serve the type of clients who qualify for Turnover tax.

The results of the topic *Taxation of retirement funds (0.5)* produced a Kappa value in excess of 0.41 considered to be a moderate agreement and the topic *Taxation of mining income, oil and gas (0.7442)* produced a Kappa value in excess of 0.61 which is considered to be a substantial agreement between the participants' view of an undergraduate and a postgraduate candidate. More than 90% of the participants indicated, for these topics, that the level of knowledge expected of a newly qualified candidate is low or none irrespective of the qualification. By inspecting the original data gathered as shown in Table 14, the following remarks may be made about these topics:

- *Taxation of retirement funds:* The majority of the participants (91%) indicated that a newly qualified candidate irrespective of the qualification is expected to have a low or no level of this topic. Based on Table 12Table 12 & Table 13 this topic ranked number 26 out of the 28 topics presented to the participants. From earlier observations it is clearly evident that the more specialised the topic becomes the lesser the knowledge expected of a newly qualified candidate. Only tax practitioners dealing with the specific industry have a high level of knowledge of this topic.
- *Taxation of mining income, oil and gas:* There is a substantial agreement amongst participants that a no level of this topic can be expected of a newly qualified candidate. All of the participants indicated that a newly qualified candidate irrespective of the qualification is expected to have a low or no level of knowledge of this topic. Based on

Table 12 & Table 13, this topic ranked number 26 out of the 28 topics presented to the participants. Again, the specialised nature of the industry governs the expectations that can be placed on a newly qualified candidate.

The specialised industry related to the two topics discussed may be the main reason from an educator's perspective not really expecting a newly qualified candidate to have theoretical knowledge about these topics. A population with different characteristics may, however, present different results.

For all the other topics included in section 2.1 for which Kappa values could be calculated (refer Table), the values ranges from 0.21 – 0.4. This indicates that there is only a fair strength of agreement between what participants currently expect of undergraduate qualifications versus a postgraduate qualification. For all these topics between 27% and 72% of participants indicated that their expectations of theoretical knowledge for newly qualified candidates with an undergraduate qualification equal that of postgraduate qualification. Thus, between 28% and 73% of participants are expected to have a higher level of theoretical knowledge than newly qualified candidates with a postgraduate qualification, in respect of these topics.

In addition it should be noted that two participants indicated that knowledge of taxation of farming activities could be expected. One participant indicated an average level of knowledge and the other participant indicated a low level of knowledge. Another participant indicated that knowledge of the taxation of insolvent estates could also be expected but no level was identified.

4.2.3 Analysis of question 2.2

Research objectives addressed by question 2.2

- To determine the level of theoretical knowledge and **practical skills** as well as the personal attributes that an educator would expect an employer to value most.

- To determine the agreement between educators' expectations of an undergraduate and a postgraduate qualification in respect of the level of theoretical knowledge, **practical skills** and personal attributes that an employer would value most.

Question 2.2 quoted from the questionnaire

*Question 2.2: In your view, as an educator, what level of **practical skills** (indicated in the table below) would an employer value most in a **newly-qualified candidate** who has completed tax modules as part of their degree or post-graduate (honores) degree **with the aim of becoming a tax practitioner**?*

Using the following scale, please indicate your opinion:
*1: **No** level of this skill*
*2: A **lower than average** level of this skill (Similar to a level A as per SAICA framework)*
*3: An **average** level of this skill (Similar to a level I as per SAICA framework)*
*4: A **high** level of this skill (Similar to a level X as per SAICA framework)*

Tables representing data gathered from question 2.2 as well as statistical analyses

Table indicates the percentage of the participants selecting a specific level of practical skill that in their view an employer would expect a newly qualified candidate with an undergraduate qualification to have. The topics have been ranked from the highest level to no level expected using the mean as primary measure; the standard deviation was used as a second level of sorting the topics. A smaller standard deviation implies more consistency between the participants in respect of the level of a specific topic. In other words where the mean was the same for a number of topics, the standard deviation was used to rank those topics from the smallest to the greatest value only for those topics. As a last level of sorting the topics, the median was used from the greatest value to the smallest value if by chance the first and second level was the same for two or more topics.

Table16: Ranked practical skills expected of undergraduate qualification

Rank	General description of practical skill	Mean	Standard Deviation	Median
1	Ability to use a variety of software packages, e.g. Word, Excel	3.363636	0.8090398	4
2	Ability to prepare tax computations by applying current tax legislation and case law	3.272727	0.6466698	3
3	Ability to communicate and negotiate	3	0.7745967	3
4	Ability to use computer applications, e.g. e-filing	3	1	3
5	Ability to review tax computations by applying current tax legislation and case law	2.909091	0.700649	3
6	Ability to assist in general tax administration, e.g.: returns, objections, etc.	2.909091	0.9438798	3
7	Ability to identify basic personal and business tax-planning opportunities	2.363636	0.8090398	2
8	Ability to reason and solve problems with limited guidance	2.272727	0.4670994	2
9	Ability to evaluate the impact of taxation on decision-making by individuals and businesses	2.181818	0.8738629	2
10	Ability to perform tax research	2	0.8944272	2
11	Ability to write tax opinions	1.818182	0.7507572	2

Table 12 indicates the percentage of the participants selecting a specific level of practical skill that in their view an employer would expect a newly qualified candidate with a post-graduate qualification to have. The topics have been ranked on the same basis as Table .

Table 12: Ranked practical skills expected of post-graduate qualification

Rank	General description of practical skill	Mean	Standard Deviation	Median
1	Ability to prepare tax computations by applying current tax legislation and case law	3.818182	0.4045199	4
2	Ability to review tax computations by applying current tax legislation and case law	3.636364	0.504525	4
3	Ability to use a variety of software packages, e.g. Word, Excel	3.545455	0.522233	4
4	Ability to use computer applications, e.g. e-filing	3.454546	0.8201995	4
5	Ability to assist in general tax administration, e.g.: returns, objections, etc.	3.363636	0.9244163	4
6	Ability to reason and solve problems with limited guidance	3.272727	0.4670994	3
7	Ability to communicate and negotiate	3.272727	0.7862454	3
8	Ability to evaluate the impact of taxation on decision-making by individuals and businesses	3.181818	0.7507572	3
9	Ability to identify basic personal and business tax-planning opportunities	3.090909	0.700649	3
10	Ability to perform tax research	2.909091	0.8312094	3
11	Ability to write tax opinions	2.727273	0.6466698	3

Table 13 indicates the percentage of participants selecting a specific level of practical skill which in their view an employer would expect newly qualified candidate with an undergraduate qualification to have, as well as post-graduate qualification.

Table 13: Data gathered from section 2.2

Type of practical skills	Undergraduate			Post graduate		
	High level of this practical skill	***Average level of this practical skill***	***Low / No level of this practical skill***	***High level of this practical skill***	***Average level of this practical skill***	***Low / No level of this practical skill***
Ability to prepare tax computations by applying current tax legislation and case law	36%	55%	9%	82%	18%	0%
Ability to review tax computations by applying current tax legislation and case law	18%	55%	27%	64%	36%	0%
Ability to identify basic personal and business tax-planning opportunities	9%	27%	64%	27%	55%	18%
Ability to evaluate the impact of taxation on decision-making by individuals and businesses	9%	18%	73%	36%	45%	18%
Ability to use a variety of software packages, e.g. Word, Excel	55%	27%	18%	55%	45%	0%
Ability to use computer applications, e.g. e-filing	36%	36%	27%	64%	18%	18%
Ability to perform tax research	0%	36%	64%	18%	64%	18%
Ability to write tax opinions	0%	18%	82%	9%	55%	36%
Ability to assist in general tax administration, e.g.: returns, objections, etc.	27%	45%	27%	64%	9%	27%
Ability to reason and solve problems with limited guidance	0%	27%	73%	27%	73%	0%
Ability to communicate and negotiate	27%	45%	27%	45%	36%	18%

Table presents the results of the statistical analyses, with specific reference to the following:

- Column (1) represents the Kappa results of question 2.2;
- Column (2) represents the participants' (%) whose undergraduate levels equal their postgraduate levels;
- Column (3) represents the participants (%) whose undergraduate levels are below their postgraduate levels; and
- Column (4) represents the participants (%) whose undergraduate levels exceed their postgraduate levels.

Table19: Statistical analyses of question 2.2

Type of practical skills	*(1) Kappa*	*(2) Post Grad = Under Grad*	*(3) Post Grad > Under Grad*	*(4) Post Grad < Under Grad*
Ability to prepare tax computations by applying current tax legislation and case law	None	45%	55%	0%
Ability to review tax computations by applying current tax legislation and case law	None	27%	73%	0%
Ability to identify basic personal and business tax-planning opportunities	None	27%	73%	0%
Ability to evaluate the impact of taxation on decision-making by individuals and businesses	None	18%	82%	0%
Ability to use a variety of software packages, e.g. Word, Excel	None	64%	27%	9%
Ability to use computer applications, e.g. e-filing	None	55%	45%	0%
Ability to perform tax research	None	36%	64%	0%
Ability to write tax opinions	0.5479	18%	82%	0%
Ability to assist in general tax administration, e.g.: returns, objections, etc.	None	55%	45%	0%
Ability to reason and solve problems with limited guidance	0.5417	9%	91%	0%
Ability to communicate and negotiate	0.5875	73%	27%	0%

Slight, **Fair, ***Moderate, ****Substantial

Discussion of the results from section 2.2

From Table educators appear to place a strong emphasis on the expectation that a newly qualified candidate with an undergraduate qualification should have a high level of ability to use a variety of software packages, e.g. Word, Excel. This skill is equally important if not more, when analysing Table 12 where this specific skill produced a mean of 3.54. The reasoning for this may be that all business activities nowadays involve some level of computer application software. It may be argued that a person who is literate in this specific skill shows increased productivity and the extra time provides an opportunity for added attention to other practical skills. Increased productivity also implies extra capacity on the part of a person to take on other tasks therefore generating more revenue.

As a general observation it is noted in Table 13 that for 6 of the 11 practical skills, more than 50% of the participants indicated they expect at least an average level of the skill from a newly qualified candidate with an undergraduate qualification while the number of topics increased to 11 out of 11 when the participants indicated their views with respect to a postgraduate qualification. Thus in general higher expectations are set on a newly qualified candidate with a postgraduate qualification.

Based on the analyses in Table, Kappa values could only be calculated for the following practical skills: *Ability to write tax opinions; Ability to reason and solve problems with limited guidance; Ability to communicate and negotiate*. For all of these topics there is a moderate agreement between the participants on what is expected of an undergraduate and what is expected of a post graduate qualification.

- *Ability to write tax opinions:* It was indicated by 82% of the participants (refer Table) that a newly qualified candidate with a postgraduate qualification is expected to have an increased level of this skill when compared to an undergraduate qualification albeit an average level of this skill as indicated by 64% of the participants (refer Table 13). This skill was also ranked last in Table & Table 12 which may signify that this skill is only expected to develop over time with more practical experience.
- *Ability to reason and solve problems with limited guidance:* Again, 91% of the participants indicated that in their view an employer would expect more of a newly qualified candidate with a postgraduate qualification.
- *Ability to communicate and negotiate:* Of the three Kappa values this skill had the highest which indicates the strongest level of agreement between the participants.

According to Table, 73% of the participants' expectations of an undergraduate equal that relating to a postgraduate qualification. From Table 13 it was indicated by the majority of the participants that an average or low level of this skill is expected. This may be an indication that this sort of skill, based on the educators view, only develops over time as more practical experience is gained by a candidate.

From Table it would appear that the most important practical skills in relation to an undergraduate qualification are: *Ability to use a variety of software packages, e.g. Word, Excel; Ability to prepare tax computations by applying current tax legislation and case law; Ability to communicate and negotiate; Ability to use computer applications, e.g. e-filing*. These skills may be considered as the fundamental tools any newly qualified candidate would require to survive in the tax practitioners' world. However, from Table 12, the basic tools could include the following practical skills in relation to a postgraduate qualification: *Ability to review tax computations by applying current tax legislation and case law; Ability to assist in general tax administration, e.g.: returns, objections, etc.; Ability to reason and solve problems with limited guidance* in addition to the ones listed above.

4.2.4 Analysis of question 2.3

Research objectives addressed by question 2.3

- To determine the level of theoretical knowledge and practical skills as well as the **personal attributes** that an educator would expect an employer to value most.
- To determine the agreement between educators' expectations of an undergraduate and a postgraduate qualification in respect of the level of theoretical knowledge, practical skills and **personal attributes** that an employer would value most.

Question 2.3 quoted from the questionnaire

*In your view, as an educator, which **personal attributes** (listed in the table below) would an employer look for in a **newly-qualified candidate** who has completed tax modules as part of their degree or post-graduate (honores) degree, **with the aim of becoming a tax practitioner**?*

Use the following scale to indicate your opinion:

*1: **No** level of this personal attribute*

*2: A **lower than average** level of this personal attribute (Similar to a level A as per SAICA framework)*
*3: An **average** level of this personal attribute (Similar to a level I as per SAICA framework)*
*4: A **high** level of this personal attribute (Similar to a level X as per SAICA framework)*

Tables representing data gathered from question 2.3 as well as statistical analyses

Table 14 indicates the percentage of participants selecting a specific level of personal attribute which in their view an employer would expect a newly qualified candidate with an undergraduate qualification to have, as well as postgraduate qualification.

Table 14: Data gathered from section 2.3

Type of personal attribute	**Undergraduate**			**Post graduate**		
	High level of this personal attribute	***Average level of this personal attribute***	***Low / No level of this personal attribute***	***High level of this personal attribute***	***Average level of this personal attribute***	***Low / No level of this personal attribute***
The ability to be imaginative / creative in the workplace	0%	82%	18%	27%	64%	9%
Show integrity in any given situation	82%	9%	9%	91%	9%	0%
The ability to take the initiative in the workplace	27%	45%	27%	55%	45%	0%
Emotional flexibility / Ability to adapt in work situations	55%	27%	18%	64%	27%	9%
Positive attitudes towards:						
- new ideas	45%	27%	27%	55%	45%	0%
- stakeholders	64%	18%	18%	64%	36%	0%
- transformation	64%	18%	18%	64%	36%	0%
The ability to work in a team	45%	45%	9%	64%	36%	0%
To be able to maintain a professional attitude towards all stakeholders	64%	27%	9%	82%	18%	0%
To have leadership qualities	18%	55%	27%	55%	45%	0%
To show interest in financial and commercial matters	18%	73%	9%	55%	45%	0%

Table 15 presents the results of the statistical analyses, with specific reference to the following:

- Column (1) represents the Kappa results of question 2.2;
- Column (2) represents the participants (%) whose undergraduate levels equal their postgraduate levels;
- Column (3) represents the participants (%) whose undergraduate levels are below their postgraduate levels; and
- Column (4) represents the participants (%) whose undergraduate levels exceed their postgraduate levels.

Table 15: Statistical analyses of section 2.3

Type of personal attribute	*(1) Kappa*	*(2) Post Grad = Under Grad*	*(3) Post Grad > Under Grad*	*(4) Post Grad < Under Grad*
The ability to be imaginative / creative in the workplace	None	45%	45%	9%
Show integrity in any given situation	None	82%	18%	0%
The ability to take the initiative in the workplace	None	27%	64%	9%
Emotional flexibility / Ability to adapt in work situations	0.3529**	64%	27%	9%
Positive attitudes towards:				
- new ideas	None	64%	36%	0%
- stakeholders	None	82%	18%	0%
- transformation	None	82%	18%	0%
The ability to work in a team	None	73%	27%	0%
To be able to maintain a professional attitude towards all stakeholders	None	73%	27%	0%
To have leadership qualities	None	36%	64%	0%
To show interest in financial and commercial matters	None	55%	45%	0%

Slight, **Fair, ***Moderate,

Discussion of the results from section 2.3

From Table 14 more than 50% of the participants indicated that they expect at least an average or high level for eight of the 11 personal attributes on an undergraduate level and all of the personal attributes on a postgraduate level.

Again, the Kappa value, which determines the agreement between the participants' perceptions of an undergraduate and postgraduate qualification, could only been calculated for one of the attributes listed in the questionnaire. The Kappa value produced for this personal attribute is 0.3529 that translates to a fair agreement between the participants. When analysing the personal attribute the following was found:

- *Emotional flexibility / ability to adapt:* Sixty- two percent (62%) of participants indicated that their expectations of an undergraduate are similar for a postgraduate (refer Table 15).

Where Kappa results could not have been calculated, for some of the personal attributes the following was found:

- *General integrity:* Remarkable, the data indicated that 82% of participants consider their current views of an undergraduate's integrity to be similar for a postgraduate, newly qualified candidate (refer Table 14).
- *Positive attitudes towards (1) new ideas, (2) stakeholders and (3) transformation*: Between 64% and 82% of participants considered their expectations of newly qualified tax candidates with an undergraduate qualification in respect of the level required by for these three personal characteristics to be similar to that for a postgraduate qualification (refer Table 14). The data also indicated that only between 9% and 18% of participants expect a newly qualified candidate with an undergraduate qualification to have a lower than average level of positivity towards new ideas, stakeholders and transformation (refer Table 14).
- *Ability to work in a team:* Seventy-three percent (73%) of participants indicated that the level expected of newly qualified candidate, with an undergraduate qualification, in terms of the ability to work in a team matches the level expected of a postgraduate candidate (refer Table 14).

- *Able to maintain professional attitude to all stakeholders:* Similar to the previous personal characteristic discussed, 91% participants indicated the level expected of newly qualified candidate, with an undergraduate qualification, in terms of the ability to maintain a professional attitude to all stakeholders (refer Table 14). Seventy-three percent of participants expectations of newly qualified to maintain a professional attitude to all stakeholders match irrespective of the qualification (refer Table 15).
- *To have leadership qualities:* Only 36% of the participants' expectations of undergraduates matched that for a postgraduate qualification (refer Table 15). Table 15 further confirms that a higher level of this attribute is expected of newly qualified candidate with a post-graduate qualification.

4.3 CONCLUSION

This chapter concludes that it has successfully used the research methodologies set out in Chapter 3 to gather the relevant information and the analyses of the data forming the findings discussed in this chapter have met the research objectives. The next chapter summarises the above findings and makes suggestions for future research.

CHAPTER 5

5 CONCLUSIONS

5.1 INTRODUCTION

The main purpose of this exploratory research study was to examine which qualifications, with tax modules as part of the degree, would be the most desirable for an employer as well as to determine the educator's view on what level of theoretical knowledge, practical skills and other personal characteristics of newly qualified candidate, an employer would value the most. Each research objective is discussed separately.

This chapter summarises the findings and draws conclusions from the research objectives.

Table 16: Research objectives addressed in this study

Objective 1	To determine in the educator's view which qualifications, as listed in this study, employers would most desire when appointing a newly qualified candidate.
Objective 2	To determine the level of theoretical knowledge and practical skills as well as the personal attributes that an educator would expect an employer to value most.
Objective 3	To determine the agreement between educators' expectations of an undergraduate and a postgraduate qualification in respect of the level of theoretical knowledge, practical skills and personal attributes that an employer would value most.

A summary of suggestions for future research is also presented.

5.2 SUMMARY OF FINDINGS

5.2.1 Findings in respect of the most desirable qualification

5.2.1.1 *Research objectives*

- To determine in the educators' view which qualifications, as listed in this study, employers would most desire when appointing a newly qualified candidate.

5.2.1.2 *Summary of findings addressing this objective*

The findings suggest that a newly qualified candidate with a BCom Accounting or Bcom Accounting Hons qualification would be better equipped with the necessary skills and that a employer would find these options more desirable. Participants' indicated that an Honours degree was the most versatile and a more recognised qualification. It further suggests that limited employment opportunities exist for newly qualified candidates with a BCom Tax or BCom Tax Hons qualification. It was indicated that newly qualified candidates with no experience would be better equipped if they had advanced knowledge and integration with other aspects of business (commercial knowledge) and not necessarily specialist knowledge. Overall the findings indicated that an employer would most likely appoint a candidate with BCom Acc Hons degree (or similar). Refer to 4.2.1 for more detail.

5.2.2 Findings in respect of the theoretical knowledge, practical skills and personal characteristics

5.2.2.1 *Research objectives*

- To determine the level of theoretical knowledge and practical skills as well as the personal attributes that an educator would expect an employer to value most.
- To determine the agreement between educators' expectations of an undergraduate and a postgraduate qualification in respect of the level of theoretical knowledge, practical skills and personal attributes that an employer would value most.

5.2.2.2 *Summary of findings addressing these objectives*

Theoretical knowledge

What is clear from this study is that from an educator's perspective, the more specialised the industry/field becomes to which the specific tax topic applies (i.e.. taxation of long-term insurers specifically applies to the long-term insurance industry), the lesser level of knowledge is expected of a newly qualified candidate irrespective of the qualification. Refer to 4.2.2 for more detail.

Practical skills

Based on the findings above it would appear that most important practical skills in relation to a undergraduate qualification are: *Ability to use a variety of software packages, e.g. Word, Excel; Ability to prepare tax computations by applying current tax legislation and case law; Ability to communicate and negotiate; Ability to use computer applications, e.g. e-filing*. These skills could be considered as the fundamental tools any newly qualified candidate and appear to be prerequisite when employers are open for new hires.

Generally educators are of the view that for most of the practical skills listed in Table 13 at least an average level of the skills concerned would be expected by employers. The expectation with respect to undergraduates in terms of the *ability to write tax opinions* is, however, somewhat less. Refer to 4.2.3 for more detail.

Personal Characteristics

For most of the personal characteristics for which participants had to indicate their views, the expectations of newly qualified candidate with an undergraduate qualification equalled that of newly qualified candidate with a postgraduate qualification. Refer to 4.2.4 for more detail.

The agreement between undergraduate and postgraduate

The findings of this study generally indicate that based on the educators' views, an employer would have higher expectations of a newly qualified candidate with a postgraduate qualification. However, in some aspects a newly qualified candidate with an undergraduate qualification is expected to have a higher level of knowledge or practical skill. Refer to 4.2.2 to 4.2.4 for further details.

5.3 CONCLUSIONS

The findings of this study generally indicate that educators are of the view the employers are most like to hire a newly qualified candidate who has a BCom Acc Honours or similar degree. The results further indicate that educators believe employers are likely to appoint a newly qualified candidate who has completed a BCom Tax Honours or similar degree. This effectively means educators recognise the fact that there is a need in the tax profession for a dedicated tax education programme.

What is clear, however, is that educators in their view believe that employers in terms of theoretical knowledge require a high level of knowledge for the majority of the topics listed in Table. However, it cannot be assumed that the level of expectation assigned by educators carries the same weight as the level an employer would have assigned.

5.4 SUMMARY OF CONTRIBUTIONS

The study performed by Doman (2011:84) found that generally employers are not satisfied with a level of skills, theoretical, practical and personal, that a newly qualified candidate without any on the job experience possesses. Doman (2011:84) further noted that the results from a study performed by Schwartz and Stout (1987:116) were similar to Doman's findings and the general consensus was that newly qualified tax practitioner did not meet the practices' expectations.

To further compare the results of this study with the results from Doman (2011:85 - 86), the researcher compiled a table (refer Table 17) which indicates the percentage of participants who consider newly qualified tax practitioners to currently have a "high" or "average" level of theoretical knowledge about the specific topics. Note that the study by Doman (2011:85) investigated employers' expectations in respect of newly qualified tax practitioners with any tax qualification, but without any tax specific work experience. This study, however, explored the perceptions of educators as to what they believe employers deem to be important. All the theoretical knowledge topics tested in this study could also not be compared to the results obtained by Doman (2011:58 - 60), as this study includes further topics.

Table 17: Comparison between the study by Doman (2011:58-60) and this study

Type of Theoretical knowledge	***(1) % Participants selecting "High" or " average" iro current theoretical knowledge***	***(2) % Participants selecting "High" or " average" iro expected theoretical knowledge - undergraduate***	***(3) % Participants selecting "High" or " average" iro expected theoretical knowledge – post-graduate***
Taxation environment in RSA	*72%*	*64%*	*91%*
Fiscal framework of RSA	*63%*	*36%*	*91%*
History of taxation	*37%*	*18%*	*55%*
Individual tax (excluding capital gains)	*56%*	*100%*	*100%*
Secondary tax on companies (STC) / Dividends tax	*58%*	*73%*	*100%*
Company tax (excluding capital gains and corporate rules)	*74%*	*100%*	*100%*
Capital gains and loss (8th Schedule)	*72%*	*100%*	*100%*
Employees' tax	*48%*	*100%*	*100%*
Taxation of expatriates	*28%*	*27%*	*91%*
Fringe benefits	*55%*	*100%*	*100%*
Provisional tax	*70%*	*100%*	*100%*
Donations tax	*46%*	*73%*	*100%*
Lump sum benefits from pensions, provident and retirement annuity funds	*19%*	*73%*	*100%*
Estate duty	*15%*	*64%*	*91%*
Taxation of trusts (excluding capital gains)	*37%*	*36%*	*100%*
Taxation of employment companies	*28%*	*55%*	*82%*
Taxation of non-resident branches	*41%*	*9%*	*73%*
International tax	*41%*	*9%*	*55%*
Transfer pricing	*38%*	*9%*	*45%*
Taxation of Public Benefit organisations	*24%*	*0%*	*18%*
Taxation of long-term insurers	*56%*	*0%*	*0%*
Taxation of retirement funds	*11%*	*9%*	*9%*
Value Added Tax (VAT)	*49%*	*100%*	*100%*
Transfer duty	*23%*	*20%*	*60%*
Customs and excise duty	*18%*	*0%*	*9%*
Security transfer tax	*27%*	*9%*	*18%*

Type of Theoretical knowledge	***(1)*** ***% Participants selecting "High" or " average" iro current theoretical knowledge***	***(2)*** ***% Participants selecting "High" or " average" iro expected theoretical knowledge - undergraduate***	***(3)*** ***% Participants selecting "High" or " average" iro expected theoretical knowledge – post-graduate***
Taxation of mining income, oil and gas	*25%*	*0%*	*0%*

From the above it can be deduced that educators believe employers place a higher expectation on the majority of topics. However, it cannot be reasonably assumed that a high or average level in the mind of an employer equals a high or average level in the mind of an educator. The result of Doman's study suggests that for the majority of the topics, less participants believe that newly qualified tax practitioners have at least average theoretical knowledge about the specific topics (Doman,2011:87).

In the face of comparison in Table 17 it is clear that educators and employers need to sit around the same table and come to some sort of consensus on the level of theoretical knowledge. Furthermore the benchmark for the "level" should be clearly defined as seemingly there is little correlation currently.

5.5 SUGGESTIONS FOR FUTURE RESEARCH

This study can be extended to other tax educators providing tax education to students aspiring to become a tax practitioner within the tax profession. The degrees included in this study could also be expanded to include law degrees and other general BCom degrees.

The exploratory research conducted in this study considered the level of theoretical knowledge, practical skills and personal attributes expected of a newly qualified candidate with a specific formal qualification, but without any tax specific work experience. Doman's study considered the opinions of large employer companies, the study could be widened to include small- to medium-size employers or alternatively to companies which are listed and have a dedicated in-house tax department.

5.6 FINAL CONCLUSION

The main purpose of this exploratory research was to examine the current perceptions of educators and what they believe employers expect in terms of the theoretical knowledge, practical skills, and other qualities, obtained by newly qualified candidates aiming to become a tax practitioners.

This study concludes that there is not a major difference between the levels expected of an undergraduate as opposed to a postgraduate with regard to topics which could arguably be considered to be the fundamentals of tax. However, as complexity attached to a topic increases, the level expected of a post-graduate increases. Educators furthermore seem to be of the view that a newly qualified student with BCom Acc Hons degree would be preferred by an employer as opposed to a newly qualified candidate with a “general” BCom degree that contains some tax topics.

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APPENDIX A

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APPENDIX B

- Informed consent form from Heads of tax departments/Responsible person to collect data from their employees -

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA
Faculty of Economic and
Management Sciences

Informed consent for participation in an academic research study

Department of Taxation

TAX EDUCATION IN SOUTH AFRICA: A SURVEY OF THE CURRENT PERCEPTIONS OF EDUCATORS

Research conducted by:
Mr. GP Alberts (24004962)
Cell: 083 391 8479

Dear Respondent

You are invited to participate in an academic research study conducted by Gerbrand Alberts, a Master's degree student in the Department of Taxation at the University of Pretoria.

The purpose of the study is to investigate in your capacity as a tax educator your department's perception of the expected level of theoretical knowledge and practical skills desired by employers of a newly qualified candidate.

Please note the following:

- This study involves an anonymous survey. Your name will not appear on the questionnaire and the answers you give will be treated as strictly confidential. You cannot be identified in person based on the answers you give.
- Your participation in this study is very important to us. You may, however, choose not to participate and you may also stop participating at any time without any negative consequences.
- Please answer the questions in the attached questionnaire as completely and honestly as possible. This should not take more than 15 minutes of your time.
- The results of the study will be used for academic purposes only and may be published in an academic journal. We will provide you with a summary of our findings on request.
- Please contact my supervisor, Mr S.G. Nienaber, at 012 420 4098, or at gerhard.nienaber@up.ac.za, should you have any questions or comments regarding the study.

Please tick the boxes below to indicate that:

☐ You have read and understand the information provided above.

☐ You give your consent to participate in the study on a voluntary basis.

_____ _____

Date **Signature**

Please email the signed consent form and completed survey to gerbrand.alberts@za.ey.com or alternatively please fax it to 011 772 4013.

APPENDIX C

- Final questionnaire used to collect data for this study -

UNIVERSITEIT VAN PRETORIA
UNIVERSITY OF PRETORIA
YUNIBESITHI YA PRETORIA
Faculty of Economic and
Management Sciences

Questionnaire Cover Letter

Department of Taxation

TAX EDUCATION IN SOUTH AFRICA: A SURVEY OF THE CURRENT PERCEPTIONS OF EDUCATORS

The purpose of this study is to obtain from you, in your capacity as a tax educator, your department's perception of the expected level of theoretical knowledge and practical skills desired by employers who wish to employ a newly-qualified graduate.

Layout of the questionnaire:

In your capacity as the Head of Department (HOD)/ subject head/ experienced tax academic, please provide your department's opinion on the following sections:

- Section 1 of the questionnaire deals with your role and the formal qualifications currently obtainable from your University.
- Section 2 of the questionnaire deals with the **expected level of theoretical skills** from **both** undergraduate and post-graduate qualifications.
- Section 3 of the questionnaire deals with the **expected level of practical skills** from **both** undergraduate and post-graduate qualifications.
- Section 4 of the questionnaire deals with the **expected level of personal attributes** from **both** undergraduate and post-graduate qualifications.

Information regarding the completion of the survey:

- For the purposes of completing this questionnaire it is important to note that the questions refer to an "**employer**" and employer, in this context, is a tax practitioner, whether an individual natural person or a professional firm, that is hiring new tax practitioners.
- A **tax practitioner**, for the purposes of this study and in a South African context, is defined as but not limited to: any natural person who provides advice to other persons with respect to the application of any Act administered by the Commissioner or completes and assists with any documents to be submitted to the Commissioner and who is registered as a tax practitioner in terms of section 67A(1) of the Income Tax Act, No 58 of 1962.
- Throughout the survey, reference is made to a "**newly-qualified candidate**". For the purposes of this study, a newly-qualified candidate is any student who has recently graduated from a tertiary institution and has completed tax modules as part of their degree, whether an undergraduate or post-graduate degree, without any work-related experience.
- This questionnaire deals with tax practitioners as a whole and it is not limited to chartered accountants. The SAICA levels provided (with reference to the SAICA Competency Framework) merely serve as an indicator to assist the person completing the questionnaire in evaluating the perceived expectations when an employer appoints a newly-qualified candidate as a practitioner in the tax department.

TAX EDUCATION IN SOUTH AFRICA: A SURVEY OF THE CURRENT PERCEPTIONS OF EDUCATORS

In your capacity as the Head of Department (HOD)/ subject head/ experienced tax academic, please provide your department's opinion on the following sections:

Section 1

1.1. To address the question of the validity of the data it is necessary to gauge the experience level of the individual who is completing the questionnaire. For this purpose please complete the following fields:

Question	Response
Please state your current position/capacity:	
Highest qualification obtained:	
Professional bodies to which you belong:	

1.2. In your view, which qualification from the list below would an employer consider most desirable when hiring a newly-qualified candidate? Please indicate your choices with a corresponding number from 1 to 4, where 1 is the most likely preference and 4 is the least likely preference:

Degree	Choice
Baccalaureus Commercii Accounting or equivalent degree - (Chartered Accountant stream)	
Baccalaureus Commercii Honores Accounting or equivalent degree – (Chartered Accountant stream)	
Baccalaureus Commercii Tax (Primary subject is Tax) or equivalent	
Baccalaureus Commercii Honores Tax (Primary subject is Tax) or equivalent	

Please give reasons for the most preferred choice made in question 1.2 above:

.....

.....

.....

If you believe that there is any other qualification (not included in the list above) that an employer would prefer, please list it below and give reasons for your choice:

.....

.....

Section 2

This section specifically deals with a newly-qualified candidate who has completed taxation modules as part of an undergraduate or post-graduate (honores) qualification.

2.1. In your view, as an educator, what **level of theoretical** knowledge (indicated in the table below) would you expect an employer to value most in a **newly-qualified candidate** who has completed tax modules as part of their degree or post-graduate degree with the **aim of becoming a tax practitioner?**

Please use the following scale to indicate your opinion:

1: **No** level of theoretical knowledge

2: A **lower than average** level of theoretical knowledge (similar to a level 1 as per SAICA syllabus standards)

3: An **average** level of theoretical knowledge (similar to a level 2 as per SAICA syllabus standards)

4: A **high** level of theoretical knowledge (similar to a level 3 as per SAICA syllabus standards)

Theoretical Skills	**Undergraduate qualification**					**Post-graduate qualification**		
General description of topic	**None**	**Lower than average**	**Average**	**High**	**None**	**Lower than average**	**Average**	**High**
Taxation environment in RSA	1	2	3	4	1	2	3	4
Fiscal framework of RSA	1	2	3	4	1	2	3	4
History of taxation	1	2	3	4	1	2	3	4
Individual tax (excluding capital gains)	1	2	3	4	1	2	3	4
Secondary tax on companies (STC) / Dividends tax	1	2	3	4	1	2	3	4
Company tax (excluding capital gains and corporate rules)	1	2	3	4	1	2	3	4
Capital gains and loss (8th Schedule)	1	2	3	4	1	2	3	4
Employees' tax	1	2	3	4	1	2	3	4
Taxation of expatriates	1	2	3	4	1	2	3	4

Fringe benefits	1	2	3	4	1	2	3	4
Provisional tax	1	2	3	4	1	2	3	4
Donations tax	1	2	3	4	1	2	3	4
Lump sum benefits from pensions, provident and retirement annuity funds	1	2	3	4	1	2	3	4
Estate duty	1	2	3	4	1	2	3	4
Taxation of trusts (excluding capital gains)	1	2	3	4	1	2	3	4
Taxation of employment companies	1	2	3	4	1	2	3	4
Taxation of non-resident branches	1	2	3	4	1	2	3	4
International tax	1	2	3	4	1	2	3	4
Transfer pricing	1	2	3	4	1	2	3	4
Taxation of Public Benefit organizations	1	2	3	4	1	2	3	4
Theoretical Skills (continued)	**Undergraduate qualification**				**Post-graduate qualification**			
General description of topic	**None**	**Lower than average**	**Average**	**High**	**None**	**Lower than average**	**Average**	**High**
Taxation of long-term insurers	1	2	3	4	1	2	3	4
Taxation of retirement funds	1	2	3	4	1	2	3	4
Value Added Tax (VAT)	1	2	3	4	1	2	3	4
Transfer duty	1	2	3	4	1	2	3	4
Customs and excise duty	1	2	3	4	1	2	3	4
Security transfer tax	1	2	3	4	1	2	3	4
Taxation of mining income, oil and gas	1	2	3	4	1	2	3	4
Turnover Tax	1	2	3	4	1	2	3	4

Are there any other topics/theoretical skills that are offered at/by your institution which are not included in the list above? If so, please list the additional topics with a rating of the expected level of theoretical knowledge:

	Undergraduate qualification				**Post-graduate qualification**			
General description of topic	**None**	**Lower than average**	**Average**	**High**	**None**	**Lower than average**	**Average**	**High**
	1	2	3	4	1	2	3	4
	1	2	3	4	1	2	3	4

	1	2	3	4		1	2	3	4
	1	2	3	4		1	2	3	4

2.2. In your view, as an educator, what **level of practical skills** (indicated in the table below) would an employer value most in a **newly-qualified candidate** who has completed tax modules as part of their degree or post-graduate (honores) degree with the **aim of becoming a tax practitioner**?

Using the following scale, please indicate your opinion:

1: **No** level of this skill

2: A **lower than average** level of this skill (Similar to a level A as per SAICA framework)

3: An **average** level of this skill (Similar to a level I as per SAICA framework)

4: A **high** level of this skill (Similar to a level X as per SAICA framework)

Practical skills:	**Undergraduate qualification**					**Post-graduate qualification**			
General description of practical skill	**None**	**Lower than average**	**Average**	**High**		**None**	**Lower than average**	**Average**	**High**
Ability to prepare tax computations by applying current tax legislation and case law	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to review tax computations by applying current tax legislation and case law	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to identify basic personal and business tax-planning opportunities	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to evaluate the impact of taxation on decision-making by individuals and businesses	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to use a variety of software packages, e.g. Word, Excel	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to use computer applications, e.g. e-filing	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to perform tax research	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to write tax opinions	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Ability to assist in general tax administration, e.g.: returns, objections, etc.	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**

Ability to reason and solve problems with limited guidance	1	2	3	4		1	2	3	4
Ability to communicate and negotiate	1	2	3	4		1	2	3	4
Other (Please specify)	1	2	3	4		1	2	3	4

Are there any other skills not included in the list above that you, as an educator at your institution, think an employer would expect a student to possess? If so, please list the additional skill(s) followed by a rating of the expected level of practical skill:

Practical skills:	**Undergraduate qualification**					**Post-graduate qualification**			
General description of practical skill	**None**	**Lower than average**	**Average**	**High**		**None**	**Lower than average**	**Average**	**High**
	1	2	3	4		1	2	3	4
	1	2	3	4		1	2	3	4
	1	2	3	4		1	2	3	4
	1	2	3	4		1	2	3	4

2.3. In your view, as an educator, which **personal attributes** (listed in the table below) would an employer look for in a **newly-qualified candidate** who has completed tax modules as part of their degree or post-graduate (honores) degree, **with the aim of becoming a tax practitioner**?

Use the following scale to indicate your opinion:

1: **No** level of this personal attribute

2: A **lower than average** level of this personal attribute (Similar to a level A as per SAICA framework)

3: An **average** level of this personal attribute (Similar to a level I as per SAICA framework)

4: A **high** level of this personal attribute (Similar to a level X as per SAICA framework)

Personal attributes	**Undergraduate qualification**					**Post-graduate qualification**			
Description	**None**	**Lower than average**	**Average**	**High**		**None**	**Lower than average**	**Average**	**High**
The ability to be imaginative / creative in the workplace	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Show integrity in any given situation	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
The ability to take the initiative in the workplace	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Emotional flexibility / Ability to adapt in work situations	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Positive attitudes towards:									
- new ideas	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
- stakeholders	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
- transformation	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
The ability to work in a team	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
To be able to maintain a professional attitude towards all stakeholders	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
To have leadership qualities	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
To show interest in financial and commercial matters	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**
Other (Please specify)..	**1**	**2**	**3**	**4**		**1**	**2**	**3**	**4**

Thank you for completing the survey. We appreciate your participation.