

Reduce tax risk, use qualified professionals

It's personal tax season again and millions of South Africans are busy filling out their tax returns. To avoid any delays in this widescale process, payroll departments across the nation must work quickly and in strict compliance with the law. Failure to do so could result in heavy penalties for their organisations.

Arlene Leggat, a director at the South African Payroll Association (SAPA), says that, to satisfy all statutory obligations, not just tax regulations, payroll practitioners need to be suitably qualified. "Payroll plays a leading role in any organisation's governance and compliance efforts. To reduce risk, employers must ensure their administrators are competent." But how can they guarantee that this is the case?

Practitioners and good governance

Payroll practitioners should be driven by good governance practices and must stay abreast of current legal requirements. For example, the recent Protection of Personal Information (POPI) Act places an additional burden on businesses to carefully manage and protect any personal information they store or process about their workers. Practitioners must be aware of such developments and understand how to remain compliant with them in the course of their duties.

According to Leggat, as compliance requirements increase, more companies are realising the importance of a professional designation. "SAPA is the recognised regulatory body for payroll practitioners in South Africa," she says. "When companies hire outsiders, there's no guarantee they'll get someone who is competent in their field, and the risk of falling short in their legal obligations is growing year by year."

To be awarded one of SAPA's professional designations, applicants must have the relevant qualifications and experience needed to perform their duties at junior, mid or senior levels. But even after becoming a member, they're required to continually improve their payroll skills and knowledge.

CPDs

A core component of ensuring SAPA members understand good governance practices and compliance with legislation is the association's continuous professional development (CPD) programme. Members must accumulate a set number of CPD points every 2 years to retain their SAPA title. This can be achieved by attending SAPA-approved courses, each carrying a predetermined number of points.

Code of ethics

In addition, members are bound to a code of ethics and any breach could result in their membership being revoked. This gives employers the assurance that their payroll officer strives to conduct themselves in a manner befitting their legal and moral responsibilities. In addition, organisations have in SAPA a channel through which to voice any grievances.

Hiring for compliance

Leggat advises companies to avoid the dangers of non-compliance and promote good

governance by hiring SAPA approved payroll practitioners. “We sometimes read of incidents of payroll fraud or noncompliance, and this is usually the result of employing unregulated administrators. For members of a professional body, there are too many controls in place, so poor conduct puts their careers at risk. Therefore, our designations alone promise a high level of compliance and governance.”

Employers and unregistered practitioners are invited to enquire about the benefits of SAPA membership.

SAPA will be hosting its annual conference this year titled Portraits of Success as follows:

- Johannesburg on 6 to 7 September
- Cape Town on 12 September
- Durban on 14 September

To register visit <http://www.sapayroll.co.za/Events/Conference.aspx>

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MEDIA CONTACT: Idéle Prinsloo, 082 573 9219, idele@thatpoint.co.za,
www.atthatpoint.co.za

For more information on SAPA please visit:

Website: <http://www.sapayroll.co.za/>

Twitter: [@SAPayroll](https://twitter.com/SAPayroll)

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