



SEPTEMBER 2020 Newsletter

DEPARTMENT OF ACCOUNTANCY

Dear UJ Applicant

Trust you are well. Thank you for showing an interest in studying accountancy at UJ in 2021. We are thinking of you in this unprecedented time we find ourselves in and have your best interests at heart

Latest news

EMPOWERS
EQUIPS
EDUCATES



MS WADZANAI MABUTO (CA(SA))
Senior Lecturer in the Department of Accountancy at UJ

HOME-SCHOOLING TIPS

- Be patient with yourself and the children. It is a process.
- Be flexible about the routine that you use. What introduced work and learning, and the children need to understand that it is part of life.
- Subject on the day with the task and be more specific to ask them for feedback.
- Have fun! Remember, school makes life more and physical activities.
- Take turns. Draw up a rota or who is responsible on what days to home-school the kids. There are no set routines in a lot of the time.
- Let up with others that are home-schooling to get ideas.

Supplementary budget 2020

On 24 June 2020, Finance Minister Tito Mboweni tabled a supplementary budget necessitated by the outbreak of the COVID-19 pandemic and economic downturn. This budget introduced adjustments to the original budget tabled in February 2020 and formalised the two tax bills which provide relief to taxpayers in response to COVID-19. Furthermore it sets out a roadmap to stabilise debt by improving spending patterns and creating a foundation for economic revival. Simply put, it cannot be business as before the advent of the coronavirus.

Like any entity, the country also needs to have both a strategic plan and a budget. Budgets look at the money needed to support the strategic goals. When the annual budget 2020-21 was tabled in February this year, the budget was at the time correctly aligned and based on the country's strategic goals contained in the strategic plan. This budget was based on traditional budgeting methods which attempt to extrapolate the past, that is, making use of the previous year's budget as a basis and adding inflationary adjustments. For the first time in many years this budget made a real attempt to reduce expenditure and as such the increase were averted. However, the strategic plan in February did not take into account the severity of the impact of COVID-19.

With the advent of COVID-19, the strategic plan has changed. As the strategic goals have changed, amending the supplementary budget was a necessary and sound decision. However, the supplementary budget cannot be based on traditional budgeting systems. None included in the strategic plan is a serious disaster, namely COVID-19, coupled with the economic downturn that resulted from the pandemic.

What was therefore required of this supplementary budget was to redo the budget from zero (a zero-based budget). This means that we do not use last year's budget as a reference point but rather discount last year's budget and start from zero. This budgeting technique would have forced departments to rethink their requests for budgeting from zero. The only budgeted expenditure that is then approved is budgeted expenditure supported with detailed business plans that in turn support the revised strategic goals. The budget speech confirms that the medium-term expenditure framework (MTEF) process will be guided by the principles of zero-based budgeting, which will be applied as a series of budgeting exercises in provinces targeted at large programmes. The current system of public expenditure reviews is a step towards zero-based budgeting. The upcoming MTEF will pilot the approach. While this is certainly a step in the right direction and National Treasury must be commended for considering this futuristic approach, the reality is that the supplementary budget already required this approach.

TAX SPECIALIST



MUNEER HASSAN (CA(SA))
Tax Consultant, Senior Lecturer in Taxation at UJ and Lecturer on the Gaining Board Course

THE WAY FORWARD

In addition to spending adjustments of about R200 billion over the next two years, the supplementary budget speech announced that the revenue of R40 billion over the next four years will also be required. The government will announce details to these tax proposals in the 2021 budget. Attempting to increase taxes and a global pandemic, combined with an economic downturn is surely asking for disaster. Instead of budgeting for increases in tax, supplementary apply the concept of zero-based budgeting principles and remove funds and wasteful expenditure on all items with dire consequences.

- Proud of Ms Wadzanai Mabuto and Mr Muneer Hassan in the September edition of SAICA AccountancySA Magazine

<http://magazine.accountancysa.org.za/publication/?m=52861&i=672365&p=120>

- Check out UJ Professor of Practice Ajen Sita(CEO of EY_Africa) in the September edition of AccountancySA Magazine

<http://magazine.accountancysa.org.za/publication/?m=52861&i=672365&p=38>

The building blocks of strategy

Ajen Sita, EY Africa CEO

With a background in financial management and business valuations, I have always been intrigued by 'strategy', the thing that ultimately sets a company apart from the rest and probably, together with strong leadership, the main driver behind sustained value creation. In a series of interviews, I will be exploring the different approaches of different business leaders (all chartered accountants) to strategy.

Think OUTSIDE THE BOX

DOING DIFFERENT THINGS AND THINKING DIFFERENTLY

In this feature, we look at some individuals with interesting and varied careers who have the CA(SA) designation in common — but also their exciting, innovative way of thinking. They occupy positions in vastly different worlds, doing different things while capitalising on their unique talents, formal qualifications and interests. Their enthusiasm and insights are infectious — and most importantly, they are all proud of their CA(SA) designation

AUTHOR | Lia Labuschagne

Garth Barnes, lecturer and singer

Garth Barnes (39) attended Rand Afrikaans University (now the University of Johannesburg – UJ) until his honours degree and was awarded an MCom International Accounting from UJ in 2018. He qualified as CA(SA) in 2009, and today is a senior lecturer at the UJ Department of Accountancy.

However, many people know him best as the lead vocalist and rhythm guitar player of the rock band Capricorn formed in London in 2006. The single "Serenade" from the group's debut album "This City Needs a Hero" became an instant hit and they have remained popular ever since.

"My accounting experience has definitely helped with managing the band. I picked up financing, cash flow, contracts, people management and other soft skills during my studies. Articles and subsequent employment have been critical in keeping our band alive. Do I use IFRS 9 in my day to day band dealings? Absolutely not. But I have no doubt that we would not be where we are if we had outsourced all the accounting and managerial functions of our band," says Garth.

Garth says he started quite late playing music. "I joined my first band just out of school. I was studying and following the standard path towards becoming a CA. A few years later I was somehow on a bus in America with my band touring the country. I was playing shows at night and studying my board exam material from a bunk on the bus during the drives between cities during the day! It was a bizarre existence — unbelievable fun but not sustainable. Looking back, I am amazed (and grateful) that I persisted with my studies!"

Over time his priorities shifted. "Touring America gave me a glimpse of what it really means to be a full-time performer. It's not a normal life, you are out in a different city every night. By the end of that tour, I understood that I'm actually a pretty normal guy and want all the normal things in life like a house, car and family. I realised I didn't need or even want to be world famous, as long as I was making music on some level, I would be happy."

Today, "we manage every aspect of the band. The fact that we don't rely on the band for our survival means that everyone is doing it purely for the love of music. Music videos, albums, tours etc all cost money and we are not signed to a record label — we are our own label and often refer to it as a self-sustaining hobby."

Garth believes unconventional thinking requires an individual to be nimble, willing and able to switch perspectives. "As accountants, we can often be sticklers for rules. That's fine and in most cases necessary, but if you don't adapt to your environment and are not receptive to change, you will soon get left behind!"

A particular accounting interest that recently required unconventional thinking is integrated reporting. In 2019 Garth and a colleague were tasked with compiling the first-ever fully online



- THINK OUTSIDE THE BOX #WSAAB Who Said Accountants Are Boring

Check out Senior Lecturer Mr Garth Barnes in the latest edition AccountancySA Magazine

<http://magazine.accountancysa.org.za/publication/?m=52861&i=672365&p=18>

Interested in a Virtual UJ Campus Tour ?

Download the new UJ App

Apple App Store <https://apps.apple.com/za/app/uj-virtual-campus/id1489727618>

Android App on Google Play Store

https://play.google.com/store/apps/details?id=co.za.fuzzylogic.ujvirtualcampus&fbclid=IwAR0RtllINjNt_4TYyvt08S7kOWEcDmzbIJEvJbRqNbZl_wGD7fo4-3lWX8



Facebook: Accountancy@UJ



Twitter: @UJAccountancy

We advise following the Accountancy@UJ social media pages in order to stay updated with the latest news and happenings in the Department of Accountancy.

Latest news

- Proud of UJ's CFO Ms Nolwazi Mahola announced as speaker at the CFO South Africa Finance Indaba Network on 15 October 2020 at 8:30am

<https://finance-indaba.vfairs.com/?u=5dc27579fd6000a3296be1d87a60af88507d1d07edb9d68ddf6b42d3d0a312c0>



- YTPY South Africa is a competition aimed at identifying and recognising young and aspiring tax professionals where students demonstrate their tax technical, professional and inclusive leadership skills to be chosen as the "Young Tax Professional of the Year - South Africa 2020." EY has chosen the top 5 YTPY (Young Tax Professional of the Year) finalists for the local competition. These finalists will now present to a panel of esteemed Tax partners to compete for the title of YTPY SA winner. The winner will represent SA in the international competition.

We are proud to announce that the below Accountancy@UJ students have secured their spots in the top 5:

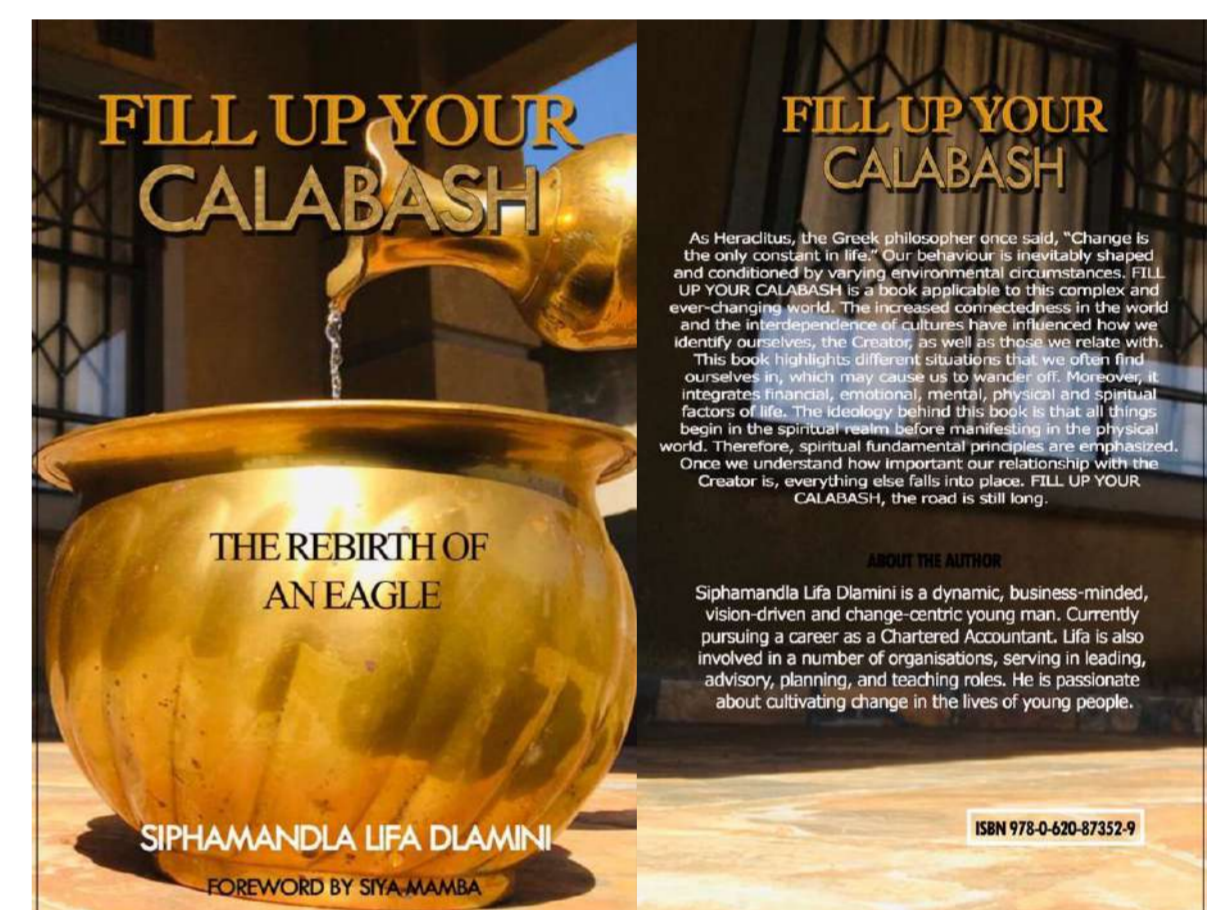
- Rodney Benganga
- Thabo Sithole

For more info on the competition visit:

https://www.ey.com/en_za/careers/ey-ytpy-sa2020



- Congrats to @UJAccountancy student Siphamandla Lifa Dlamini who recently published and released his first book called Fill Up Your Calabash.



- UJ leads the 4IR teaching revolution in accounting

<https://www.businesslive.co.za/bd/business-and-economy/2020-09-29-native-uj-leads-the-4ir-teaching-revolution-in-accounting/>



- Proud sponsors of The Great African Read <https://www.facebook.com/HAMSININANNE54>

FOR YOU

SAICA Thuthuka Bursary Applications

<https://www.thuthukabursaryfund.co.za/>

To check your admission status and other relevant correspondence, please visit:

<https://student.uj.ac.za/status.aspx>

To check out the latest Accountancy@UJ Undergraduate Brochure visit:

https://www.uj.ac.za/faculties/cbe/soa/accounting/Documents/UJ_Accountancy_UndergradProgrammes2020.pdf

How to apply for the NSFAS 2021 Bursary?

Apply online by following these steps:

- Step 1: Go to www.nsfas.org.za and click **myNSFAS**
- Step 2: Create a **myNSFAS** account
- Step 3: Click the **APPLY** tab and answer the questions on screen
- Step 4: Upload the **required supporting documents** then click **submit**

After you click **submit** your **application reference number** will appear on your screen. The **reference number** will also be sent to the **cellphone number** and **email address** you provided.

You can apply online using a **cellphone, tablet or computer**.

The closing date for **2021 applications** is **November 30, 2020**.

APPLY NOW, UNLOCK YOUR FUTURE TODAY AND MAKE 2021 YOUR YEAR