

SHARED DEVELOPMENT: GREATER THAN THE SUM OF ITS PARTS

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1. INTRODUCTION

Tax authorities around the world are being more and more client centric and therefore the topic of taxpayer education has become a more prominent issue in the last few years. Given the importance of taxpayer education as a mechanism to higher levels of compliance, the topic of tax clinics as a vehicle for taxpayer assistance has become more popular in the last few years. Although the United States of America (USA) established its Volunteer Income Tax Assistance (VITA) programme in 1969, Australia only piloted a similar concept in 2019 with their National Tax Clinic Program (NTCP). This is a government-funded initiative focused on eligible individuals, small business as well as non-for-profit organisation through ten universities included in the pilot programme. Based on the success of the pilot project, a commitment for future funding and more sites was made by the Australian Tax Office. As will be highlighted in this paper, South Africa could also benefit from such an initiative. However, due to local challenges and opportunities, a model uniquely developed for South Africa will be required.

Before introducing a possible model for South Africa, this paper will firstly provide some insights on the application of tax clinics, particularly the USA model in section 2. Section 3 will introduce a Living Lab conceptual framework as a possible solution to assist vulnerable taxpayers in South Africa. South Africa is experiencing a lot of challenges and constraints, e.g. extreme pressure on the fiscal budget that could require a unique solution as government alone will not be in a position to fund such a programme. However, these challenges and constraints could result in a collaborative approach with all parties involved that will result in outcomes that are greater than the sum of its parts. As will be discussed in section 3, the Living Lab approach provides a collaborative vehicle which could reduce duplication and therefore funding needs, but also allow for developing a comprehensive set of resources that could benefit all. The paper finishes with some concluding thoughts and limitations.

2. TAX CLINICS

The following section will provide a brief overview of the VITA and Tax Counselling for the Elderly (TCE) programmes in the USA. The VITA and TCE programmes are two of the most well-known and longest running collaborative initiatives between the USA's tax administration, academia and civil society – the VITA was initiated as far back as 1969. Oversight of these

programmes is undertaken through the Stakeholder Partnership, Education and Communication (SPEC) office at the Internal Revenue Service (IRS) (IRS, 2021). According to the IRS (2020a:7) the goal of the VITA or TCE programmes is to make voluntary compliance easier by:

- Promoting tax understanding and awareness
- Preparing accurate tax returns free for eligible taxpayers
- Encouraging Financial Education and Asset Building (FEAB) through tax incentives
- Incorporating taxpayer feedback or viewpoints
- Improving issue resolution processes in all interactions with taxpayers
- Providing taxpayers with timely guidance and outreach
- Strengthening partnerships with tax practitioners, tax prepares and other third parties to ensure effective tax administration.

The VITA and TCE programmes have been implemented by several universities as they have recognised the opportunities of these programmes in tax education (which covers accounting, law and public finance disciplines) as a form of service learning that provides students with an experiential learning opportunity through real-life work exposure. Blanthorne and Westin (2016:57–58) reviewed the VITA programmes in accounting education at universities around the USA and suggested the following best practices for VITA programmes:

- Administrative guidance is required that provides details regarding site administration.
- A comprehensive student-based management system is required to ensure that students from all disciplines can participate in the clinic – there are a diversity of functions required to successfully operation such a programme and not all students need to be involved in the actual tax services being rendered, they could also assist with administrative functions.
- Reflection is required by all parties involved to ensure that the various objectives of the participants and stakeholders are met. This includes ensuring that the experiential learning as per the pedagogical approach is actually achieved.
- Guidance should be provided to the students in terms of their comporment. This should include the dress code and client engagement protocol.

Having the benefit of more the 50-years of experience, the SPEC has developed a variety of resources that speaks to the best practices as indicated as is evident from the Exhibit 1:

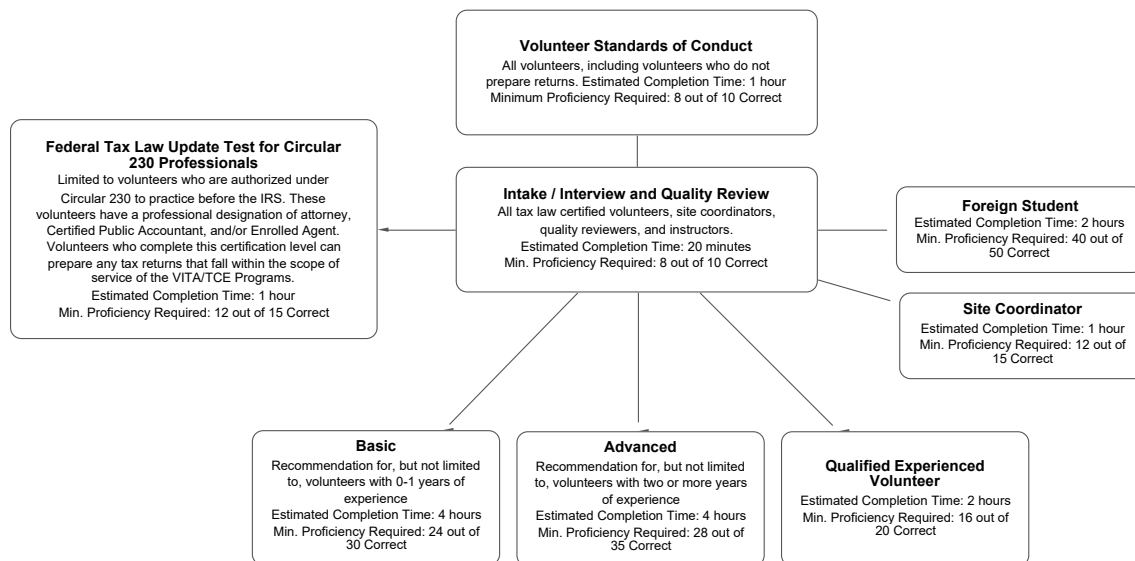
EXHIBIT 1: SPEC Publications



Through this series of publications, SPEC’s implementation partners are provided with clear guidelines and information on key aspects of the defining roles and responsibilities of all involved. Topics covered include references to relevant legislation, protocol at site operations, quality assurance measures, standards of conduct, volunteer roles and responsibilities, volunteer training as well as guidelines with regards to e-instruction.[\[ref\]](#)

To ensure that the services rendered are of the highest quality, the IRS (2020a) describes the roles of the various parties involved in running the programmes. The coordinator of the programme is responsible for the planning, organising, supervising and promoting of all aspects of the programme (IRS, 2020:9). These responsibilities include the recruiting and supervising of the volunteers in terms of set standards and guidelines. Depending on the volunteer’s position, a specific level of IRS certification is required. Overall this is a very top down driven approach, compared to a more bottom up approach in Australia. The certification process is provided in Figure 1 and the level of certification required in Exhibit 2.

FIGURE 1: Volunteer Certification Process Flowchart



Source: Adapted from IRS (2020a:29)

EXHIBIT 2: VOLUNTEER POSITIONS AND CERTIFICATION

VOLUNTEER POSITION
<p>Coordinator and alternate coordinators: All coordinators and alternate coordinators are required to complete the Site Coordinator Training annually.</p> <p>New: All coordinators and alternate coordinators must certify by passing the new Site Coordinator Test with a passing score of 80% or higher prior to performing any site coordinator duties. The Site Coordinator Test is an annual requirement. This certification test is available on Link & Learn Taxes or Form 6744, VITA/TCE Volunteer Assistor’s Test/Retest.</p> <p>Tax law certification is required if the coordinator will be preparing tax returns, correcting rejects, conducting quality reviews, or providing tax law assistance. Certification level is based on the complexity of the returns the coordinator will prepare and quality review.</p>
<p>Instructor: Tax law certification at the Advanced level or higher (includes Federal Tax Law Update Test for Circular 230 Professionals or Qualified Experienced Volunteer certifications) is required for volunteer instructors.</p>
<p>Return Preparer: Tax law certification at the Basic level or higher (includes Federal Tax Law Update Test for Circular 230 Professionals or Qualified Experienced Volunteer certifications) is required based on the level of complexity of the returns they will prepare.</p>
<p>Quality Reviewer: Tax law certification at the Basic level or higher (includes Federal Tax Law Update Test for Circular 230 Professionals or Qualified Experienced Volunteer certifications) is required based on the level of complexity of the returns they will quality review.</p>
<p>Screeners: Tax law certification required for screeners who answer tax law questions – Basic level or higher required based on the complexity of tax law questions answered.</p>
<p>Greeters and interpreters: Tax law certification is not required for Greeters and Interpreters who do not answer tax law questions.</p>

Source: IRS (2020a:30)

Furthermore, the scope of services than can be offered by the various volunteers is also clearly defined in the Scope of Service Chart (IRS, 2020b). The Scope of Service Chart (Figure 2) is very extensive to ensure only in-scope services are provided:

FIGURE 2: Scope of Service – an extract

Scope of Service				
When using the list, please note that column 3 (In Scope?) does not stand alone. Additional information contained in columns 4 and 5 (Scope Limitations and Certification Levels) may include topics or certification levels that affect whether volunteers may or may not prepare the return under the provisions of the Volunteer Protection Act.				
If no certification level is listed, the topic is in scope for all certification levels.				
Many forms and schedules that are out of scope are included as reference. If a form or schedule is not listed, it is out of scope because no training has been provided. In addition, if a volunteer has not been trained on an in-scope tax law topic, that topic is out of scope for that volunteer.				
F(orm) S(chedule) #	Line / Box #	In Scope? Y / N	Scope Limitations	Certification Levels
F 1040	1	Yes	Wages, salaries, tips, etc.	Advanced certification required for unreported tip income.
F 1040	2a, b	Yes	Tax-exempt and taxable interest See F 1099-INT for limitations	
F 1040	3a, b	Yes	Qualified and Ordinary dividends See F 1099-DIV for limitations	
F 1040	4a, 4b, 5a, 5b	Yes	IRAs, pensions and annuities See F 1099-R for limitations • Foreign retirement arrangements that may need special reporting on FINCEN 114 or F 8938	Basic certification if taxable amount is determined. Advanced certification required if taxable amount is NOT determined.
F 1040	6a, b	Yes	Social Security benefits Not in scope for: • Foreign social security from Canada or Germany that is treated as U.S. Social Security	
F 1040	7	Yes	Capital gain or loss. See F 8949 limitations	Advanced certification required.
F 1040	10b	Yes	Charitable contributions if you take the standard deduction.	
F 1040	12	Yes	Standard deduction or Itemized deductions See F 1040 Schedule A limitations	Advanced certification required for itemized deductions.
F 1040	13	Yes	Qualified Business Income deduction In scope for: • The 20% deduction for sole proprietors and taxpayers with qualifying REIT dividends • Form 8995 Not in scope for: • Taxable income over \$163,300 (\$326,600 if MFJ) • Publicly traded partnership income • Form 8995-A	
F 1040	16	Yes	Tax See Schedule 2 for limitations	

Source: Extracted from IRS (2020b:5)

It is thus clear from this brief description of the VITA/TCE Volunteer Programme that it requires a lot of coordination between several stakeholders but also a clear definition of roles and responsibilities. The SPEC office clearly takes responsibility for the quality assurance and development of extensive resources to assist any institution that wishes to implement such a programme. Programme coordinators and funders have different roles to ensure the execution adheres to the set standard and expectations of the target audience.

Other countries have more recently followed the USA example, e.g. Canada, Australia, and the United Kingdom (UK). It is, however, important to note that each country had to consider its own model and objectives. For purposes of this discussion, the review of the other countries' implementation models will not be discussed in detail. However some of the insights obtained are incorporated in the suggested South African model which will be presented in the next section. Some of the commonalities across all the models are:

- (1) The requirement for extensive government support – politically, financially and organisationally.
- (2) All universities involved have indicated that it an excellent opportunity in the form of service learning that provides students with real-life work exposure. This results in students not only developing their technical skills (i.e tax knowledge) but also a variety of 21st Century skills such as critical thinking and problem-solving skills, communication skills, interpersonal skills and personal capacities.
- (3) Clients that could not afford representation are provided with an affordable and accessible channel to ensure their tax affairs are handled in an effective and efficient manner.
- (4) Collaboration and trust are established amongst a variety of stakeholders in the tax ecosystem.

However, some differences are also evident, most prominently towards the services rendered and the clients supported. As per the USA model, some focus on low-income taxpayers. However, others are first exploring what the needs of their potential clients are and therefor did not limit it to low-income taxpayers only but are still exploring the scope – e.g. in the UK and Australia the focus is less on tax returns submission but rather on representation.

3. THE SOUTH AFRICAN FINANCIAL WELLNESS LIVING LAB 'CLINIC'

3.1 A brief introduction to the Living Lab approach

It is clear from the brief discussion of tax clinics in the previous section that it requires not only a secure funding resource but also a variety of other resources. An innovative solution that may address the funding issue and provide access to the additional resources required but also allow for open and user collaboration is the idea of developing a holistic clinic as a living lab. Living labs are characterised by collaboration between users and other stakeholders in real-life environments as they allow for the establishment of open innovation networks amongst a variety of stakeholders that integrates both user-centred research and open innovation (Leminen, Westerlund and Nyström, 2012:6).

As in any developing area, there are numerous definitions for the concept of living lab, the following two some of the most commonly used:

The European Network of Living Labs (ENoLL): A Living Lab is a “user-centred open innovation ecosystems based on a systematic user co- creation approach, integrating research and innovation processes in real-life communities and settings” (ENoLL, no date)”

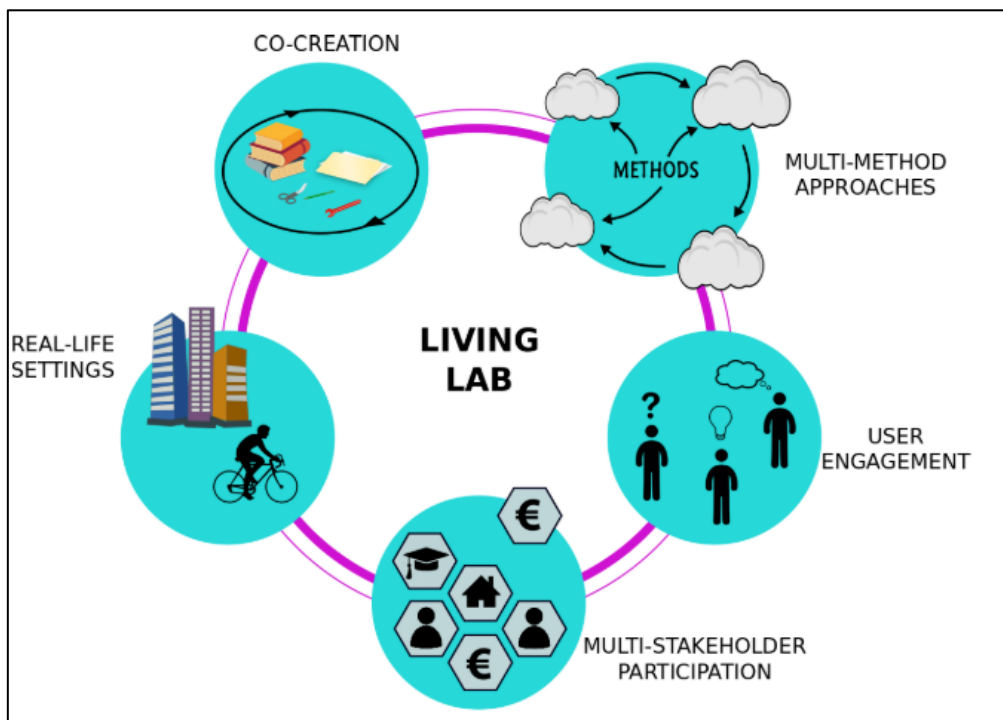
and

Westerlund and Leminen (2011:20) who defines living labs as “physical regions or virtual realities where stakeholders form public-private-people partnerships (4Ps) of firms, public agencies, universities, institutes, and users all collaborating for creation, prototyping, validating, and testing of new technologies, services, products and systems in real-life contexts.

Greve, De Vita, Leminen and Westerlund (2021:2) further the concept of a living lab as a collaborative platform by indicating that the platform consist of three separate but intertwined layers: (i) The Living Lab organisation, (ii) the Living Lab project(s) and (iii) the individual Living Lab use and stakeholder activities. The authors describe the Living Lab platform as an opportunity for providing shared resources that allows for the collaboration of a variety of private and public stakeholders to “gather, create, communicate, and deliver new knowledge, validate existing products, services and processes, facilitate professional development and social impact in real-life context. Such platforms enable the co-creation process between universities, large organisations, small and medium-sized enterprises (SMEs), start-ups and users as well other stakeholders (Greve, et al. 2012:2). In other words, living labs assume a quadruple helix that allows for collaboration between business, research and education, public administration, and civil society and users (Hyysalo and Hakkarainen, 2014:206) and provide various stakeholders with the opportunity to share experiences and to facilitate broader processes of policy learning and knowledge dissemination (Rehm, McLoughlin and Maccani, 2021:571). With regards to the tax ecosystem, the collaboration can occur between the tax authorities, academia, professional bodies, students and civil society.

As the Living Lab approach has evolved, several authors explored the elements or characteristics of a living lab. Some of the more common characteristics as identified by Zanetti and Nollo (2014:3) are illustrated in Figure 3.

FIGURE 3: Main components of a living lab



(Zanetti and Nollo, 2014:3)

Table 1 provides more information on the characteristics as identified by Zanetti and Nollo, (2014:3) with additional components identified by Hossain, Leminen and Westerlund (2019:981).

TABLE 1: Characteristics of a Living Lab

Zanetti and Nollo (2014)	Hossain, Leminen & Westerlund (2019)
<p>Multi-method approaches: There is not a single living lab methodology. All living labs combine and customize different methodologies to best fit their purpose.</p>	<p>Methods, tools and approaches: Living labs consists of a variety of approaches but always remain user-centric.</p>
	<p>Activities: Living labs normally follow a very strongly design-based approach that allows for the development, co-creation, experimentation, validation and testing of products and/or services. The activities can be clustered as:</p> <ul style="list-style-type: none"> • Exploration: understanding the current state and design possible future states – moving from idea to prototype to solution. • Experimentation: conducting real-life testing of what was proposed. • Evaluation: Assessment of the impact.

Zanetti and Nollo (2014)	Hossain, Leminen & Westerlund (2019)
User-engagement: The users are involved at the beginning of the process and this is the key to success.	The users represent the citizens or end users and are active or passive actors that participate in various roles. Utilizers refer to the public or public organisations that will benefit from the results of the innovation activities in many ways.
Co-creation: The users become equal contributors rather than subjects of study. They participate as co-creators in a co-design philosophy.	
Multi-stakeholder participation: Even if the focus is on users, involving all relevant stakeholders is of crucial importance. This includes representatives of public and private sectors, academia and people.	Stakeholders: In terms of the quadruple helix model, it allows for the collective participation of citizens, companies, public agencies, universities, various other institutions and users participate in the innovation activities. It further allows for researchers, user communities, non-profit organisations academia to co-create knowledge for sustainable products and services in real-world settings. The stakeholders have different roles which includes that of enablers that make it possible and providers that contribute knowledge, expertise and innovation support activities.
Real-life settings: The very specific characteristic of living labs is that the activities take place in real-life settings to gain a truthful overview of the context.	Real life environments (context) – Three possibilities: <ul style="list-style-type: none"> • The real-life environment is seen a landscape intertwined with user and stakeholder activities which allows for the evaluation of experiences and experiments in a real-world context within a familiar usage context. • The living lab is a set of methodologies which consists of innovation activities in a real-life environment. The living labs are thus experiential environments where participants engage in a creative space to design and experience products and services. • Focuses on the meaning of real-life environments to gather feedback from various innovation activities and contexts.
	Business models and networks: A variety of business and funding models, predominantly through project-based funding associated with universities or key industry partners. There is also a variety of network structures: the distributed multiplex network structure; the distributed network structure, and the centralised network structure. Living labs also allows for the promotion of entrepreneurship.

Zanetti and Nollo (2014)	Hossain, Leminen & Westerlund (2019)
	<p>Challenges Several challenges have been identified, e.g. conflict between stakeholders, temporality, governance, unforeseen outcomes, efficiency, the recruitment of user group(s) and the sustainability and scalability of the innovation activities.</p>
	<p>Outcomes A variety of tangible and intangible innovations as well as a diversity of innovation.</p> <ul style="list-style-type: none"> • Tangible innovation outcomes: design, products, prototypes, solutions or systems. • Intangible innovation outcomes: concepts, ideas, intellectual property rights, knowledge or services. • Diversity of innovation: incremental innovation, market innovation, product innovation, social innovation, technological innovation.
	<p>Sustainability Living lab could develop activities that improves the everyday life of citizens in a sustainable way. It also allows for some entrepreneurship and could be a vehicle for economic and social development.</p>

Thus, returning to the goals of a tax clinic as discussed in section 2, a Living Lab approach can result in:

- Social cohesion through the collaborative promotion of tax to ensure a wider understanding and awareness of the function of tax but also the utilisation of taxes raised.
- Lower compliance costs as the tax returns are accurately and affordability prepared for eligible taxpayers.
- Through relevant and targeted financial education, taxpayers can utilise their potential tax incentives that could result into higher levels of asset building.
- By means of the co-creation approach, the programme will be developed from both a bottom-up and top-down approach – however, it will be a collective design which should result in higher support levels.
- Tax administration authorities will also obtain important information that will allow them to improve their dispute resolution mechanism.
- Taxpayers are provided with timely guidance through an extensive network of volunteers and are not limited to the capacity of the tax administration staff.

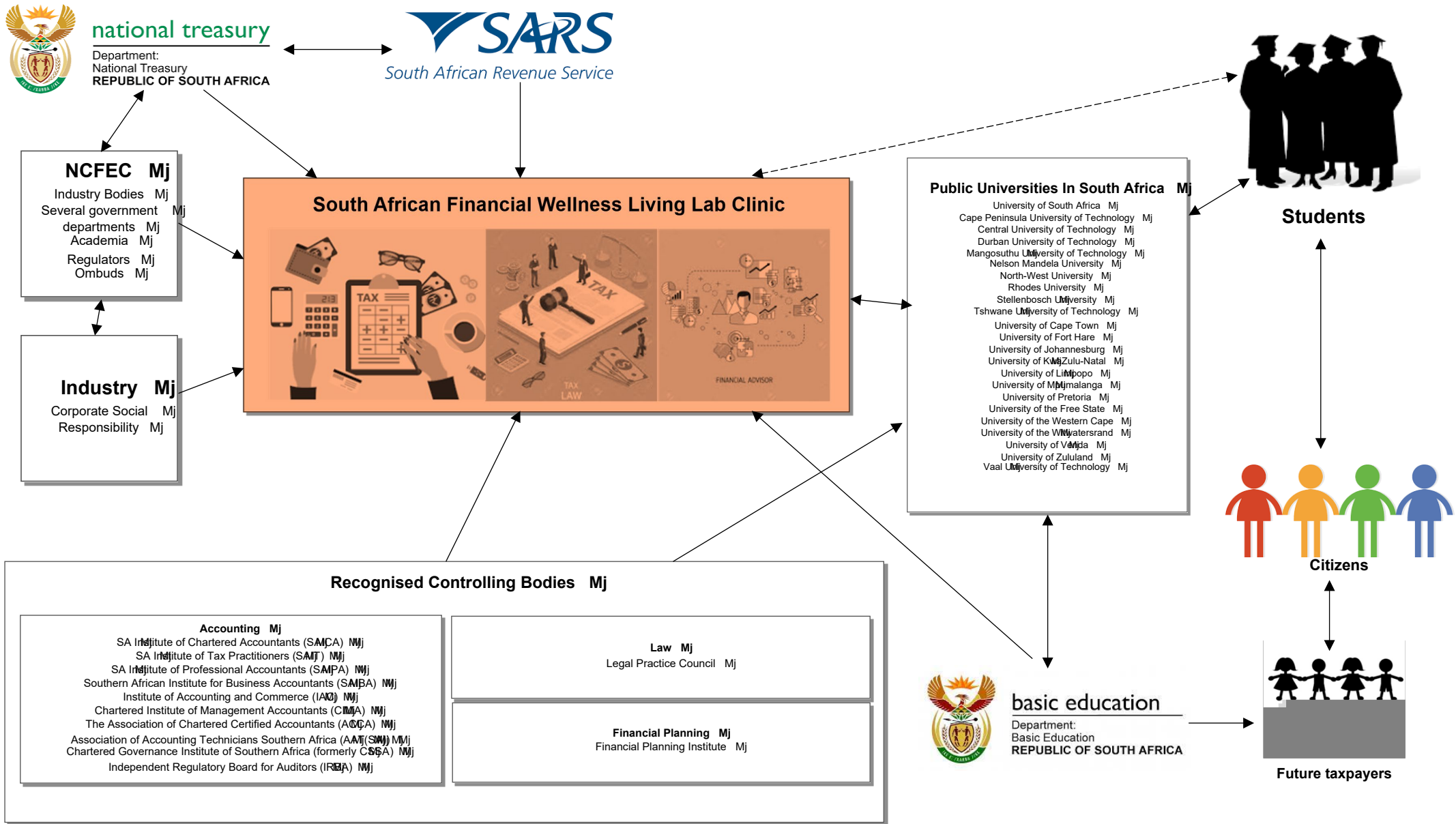
The following section will present the conceptual framework for such a collaborative approach that could align all the stakeholders in the South African tax ecosystem to work together to the benefit for all.

3.2 The South African Financial Wellness Living Lab ‘Clinic’

Focusing on the stakeholders that could benefit from such a clinic, Figure 4 provides a high-level overview of the potential experimentation platform (Rehm, McLoughlin and Maccani, 2021) that could contribute to the financial wellness of South African citizens. It is proposed that the living lab platform is developed as a holistic ‘clinic’ that incorporates accounting, law and financial planning assistance. The platform will require support from government, academia, industry and civil society but through the experimentation lens, all stakeholders should be included in the design, development and implementation.

The project will start with explorative research on the spatial, territorial, institutional and planning dimensions of the development of a socially orientated living lab. Underpinned by design-thinking, the project will consist of numerous phases and several stakeholders – all with a common goal namely to ensure access to justice for the citizens of South Africa but also support to empower them to improve their own financial wellness.

FIGURE 4: South African Financial Wellness Living Lab 'Clinic'



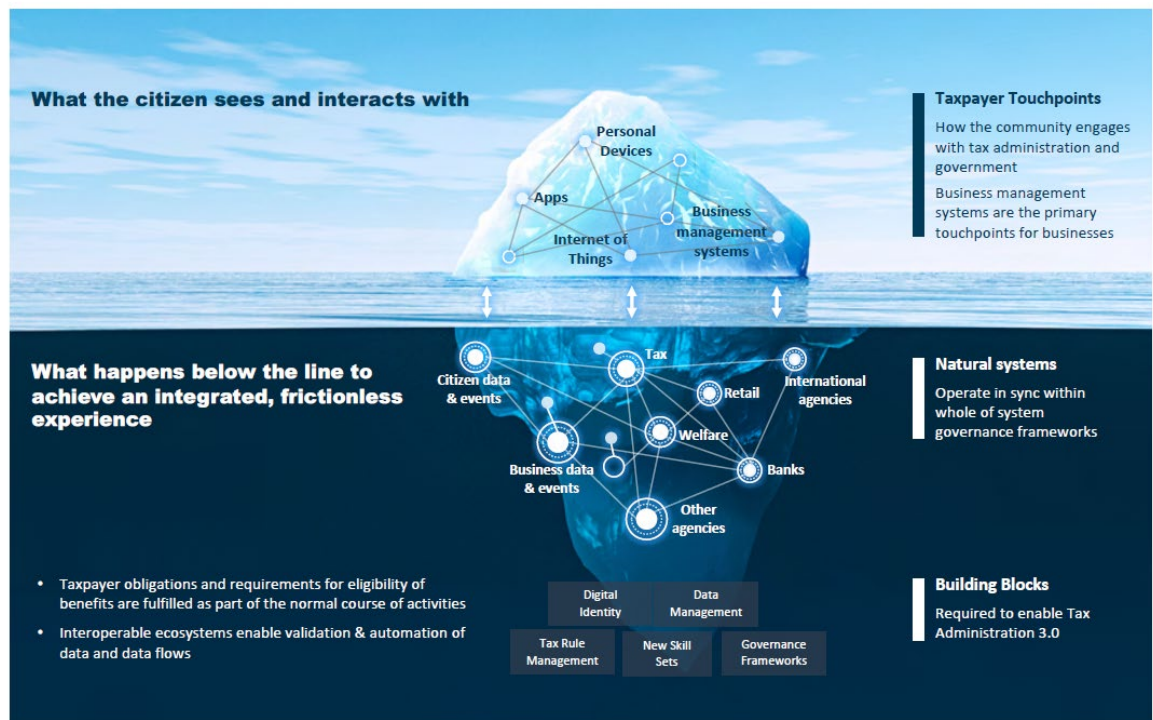
As presented in Table 1, a living lab consists of various characteristics. This paper will focus on the collaboration opportunities as described in the quadruple helix model which allows for the collective participation between government, higher education institutions, industry and civil society.

3.2.1 Government

The benefits of tax clinics as a mechanism to assist vulnerable or low-income taxpayers with their tax affairs have been recognised by governments in various countries, particularly the United States, United Kingdom, Australia, Canada and Ireland. As a case at point, the Australian Federal Government has provided funding for the National Tax Clinic Program (NTCP) whereby 10 tax clinics were established withing universities across Australia (Castelyn, Bruce and Morgan, 2020:1–2). In terms of the NTCP, the Australian Federal Government suggested that as part of a pilot period, these funded tax clinics focus on four categories of activities, namely advice to taxpayers, representation of taxpayers, advocacy of tax reform and educational activities (Jogarajan, Fischer-Doherty and Panetta, 2020:28). The various universities involved in the pilot phase have introduced a variety of services based on these recommendations, ranging from general (Castelyn, et al, 2020: 17; Jogarajan, et al, 2020:33) or complex tax advice (Castelyn, et al, 2020:17; Kayis-Kumar, Mackenzie and Walpole, 2020:61). The Australian model benefited from the experience of the long-established American model, especially the Volunteer Income Tax Assistance (VITA) programme that was initiated by the IRS in 1969 to provide free income tax preparation assistance to low-income taxpayers (Blanthorne and Westin, 2016:52). These programmes have showed the effectiveness of increasing access to tax preparation and supporting functions under the supervision of the national authorities.

In addition to creating an empowerment link to the community via tax clinics, the modernisation of the tax administration systems also necessitates a revamp of the relationships between tax administration, citizens and tax practitioners. The OECD Forum on Tax Administration's 2020 Discussion Paper provides a new model for the future of digital compliance as indicated in Figure 5.

FIGURE 5: The OECD's Vision of Tax Administration 3.0



Source: OECD (2020: 13)

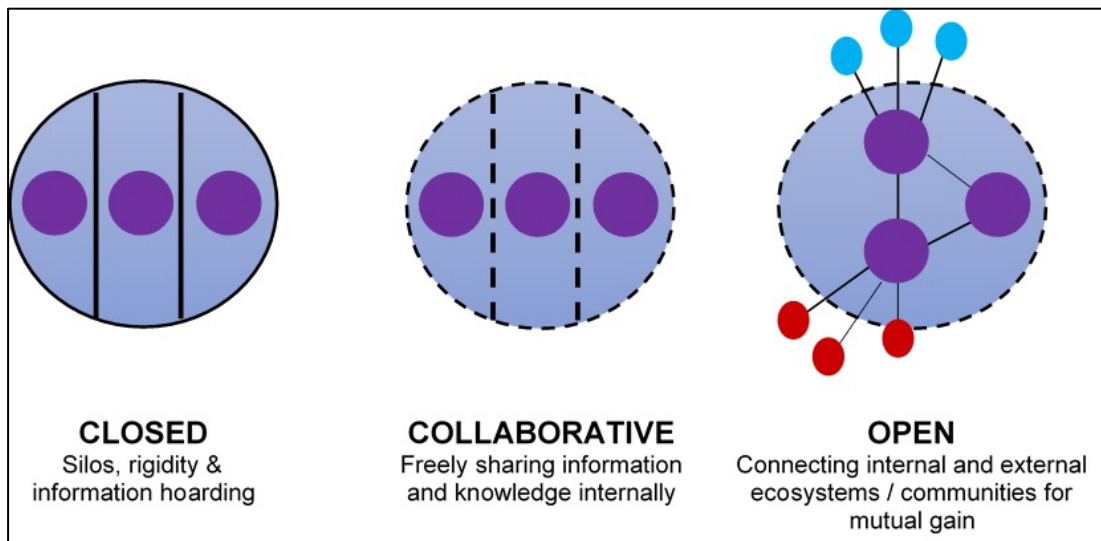
According to the new proposed model, tax processes will be seamlessly integrated into the wider business processes that will result in real-time tax determination. The modernisation of the tax administration process therefore challenges the current services of tax practitioners as they were traditionally focused on the compliance function but now needs to expand to a broader set of competencies. This will be further discussed in section 3.2.3.

However, given the financial stress the South African fiscus is under and the competing priorities, it may necessitate a different funding model for which the living lab methodology allows. A variety of business and funding models can be considered, even something as elaborate as crowdfunding. However, through a collaborative effort, this project-based initiative can secure funding for a variety of local or even international funders.

3.2.2 Engaged Higher Education Institutions

Universities have evolved from being closed, rigid and information hoarding institutions to collaborative institutions and inline with the open innovation paradigm are moving toward Open Institutions that allows for the connection between internal and external ecosystems or communities that will all gain from the collaboration (see Figure 6).

FIGURE 6: The Engaged University



Source: Ward (2010), quoted from Armano (2010)

The need to close the gap between a higher institution and its community, has already been identified in the South African context as per the Higher Education White Paper of 1997 that identified community engagement as a core purpose of higher education in South Africa together with teaching, learning and research. The need for strategic partnerships lies in the critical challenge involving the scarcity of learning opportunities highlighted in the White Paper on Post School Education and Training 2013:

Communities have learning needs that have not been catered for by the current public education and training institutions” (2013: 20)

and

“...education opportunities for adults and post-school youth have been insufficient and their quality have been generally poor” (2013:21).

The living lab proposal therefore allows for higher institutions in South Africa to leverage its community partners towards quality engaged scholarship that will enrich the academy, while simultaneously serving the development needs of the country with specific reference to addressing social problems, specially relating to vulnerable groups.

The holistic living lab that is suggested, aligns with the Tax Clinic model of the University of New South Wales (USNW), which advocates for tax clinics to deliver positive social impact by being the first nation-wide tax clinic that integrate financial counselling in their bouquet of services and not only tax preparation services (Kayis-Kumar, et al, 2020:51). Based on the premises that financial vulnerability is a broader concept than the traditional eligibility criteria

of income/wealth tests, the UNSW Tax Clinic applies a financial resilience lens to identify opportunities for interprofessional collaborative practices (more detail will be provided in section 2.2.3). The UNSW Tax Clinic therefore positions their higher institution's efforts to improve the social impact ecosystem through a variety of networks but also through internal collaboration as the clinic is staffed by students from both the UNSW Business School and the UNSW Faculty of Law (Kayis-Kumar, et al, 2020:60) whereas the majority of the other clinics are either law or accounting (i.e. tax preparation) orientated.

Furthermore, the tax clinics have provided extensive evidence that a service-learning pedagogy is effective in providing students with real-life work-integrated learning practices. Some of the key learning experienced that was reported include: an improved sense of community, belonging and inclusivity, a sense of pride and purpose, an appreciation and understanding of the link between theory and practice, soft and technical skills development (Castelyn, et al, 2020:7).

3.2.3 Industry

The term industry is used as a collective for the broader industry that includes the recognised controlling bodies for purposes of the Tax Administration Act that governs the provision of professional tax advice but also the financial services industry which has a direct interest in the digital integration and financial health of the citizens of South Africa.

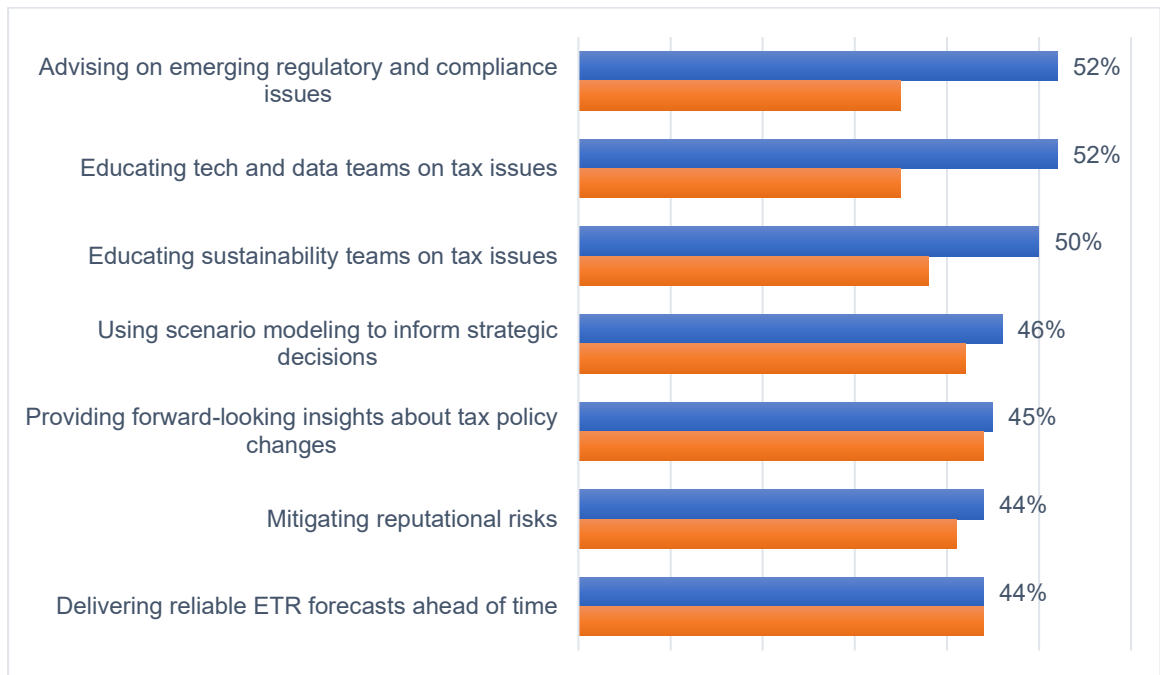
3.2.3.1 Recognised controlling bodies

Due to the changing business landscape due to globalisation as well as the impact of the Fourth Industrial Revolution, the role of future of the tax profession and tax education is an area that are broadly discussed by academia and industry players alike.

In a recent publication by (Deloitte, 2021:12), the top three drivers for changes in the tax operations and resourcing models over the next two years were listed as (i) supporting financing / refinancing needs, (ii) supporting the shift to online business models / new fulfilment and (iii) facilitating the move to real-time, digital tax compliance.

Similar to the expansion of competencies as reported in section 3.2.1, the Deloitte's Tax Transformation Survey (Deloitte, 2021:16) also indicated the need for the tax function to add more value in the short- and long term (Figure 7) by advising on emerging compliance issues and providing a bridge between the tax function and the technology specialists regarding enhanced data utilisation.

FIGURE 7: Value adding opportunities

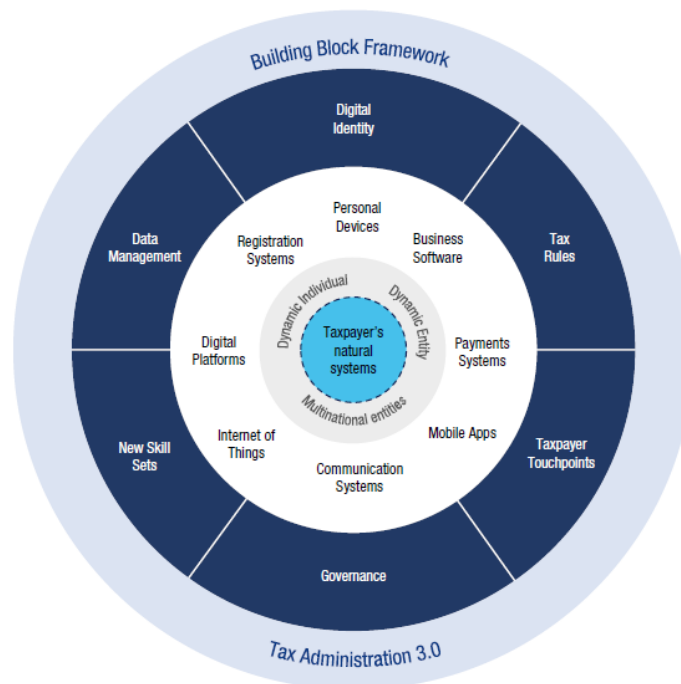


Source: Adapted from (Deloitte, 2021:16–17)

Deloitte’s (2021) confirms that to be relevant in the future world of tax, the tax function will need new approaches for the development of skills and talent and should not underestimate the futuristic technological enhanced lens that will be required.

The change in the tax function is mirrored by the OECD’s (2020) description of the new tax administration system. Figure 8 presents the proposed Building Block Framework that indicates the broad scope of building block which will necessitate the expansion of the competencies of both tax administration authorities but also tax professional and civil society. As indicated in Figure 5, as well as in Figure 8, the tax system will become embedded within taxpayers’ natural systems and thus the role of the tax professional is changing. Core competencies will still include technical knowledge of the various tax rules, but a broader new skill set will be required.

FIGURE 8: The Core Building Block Framework



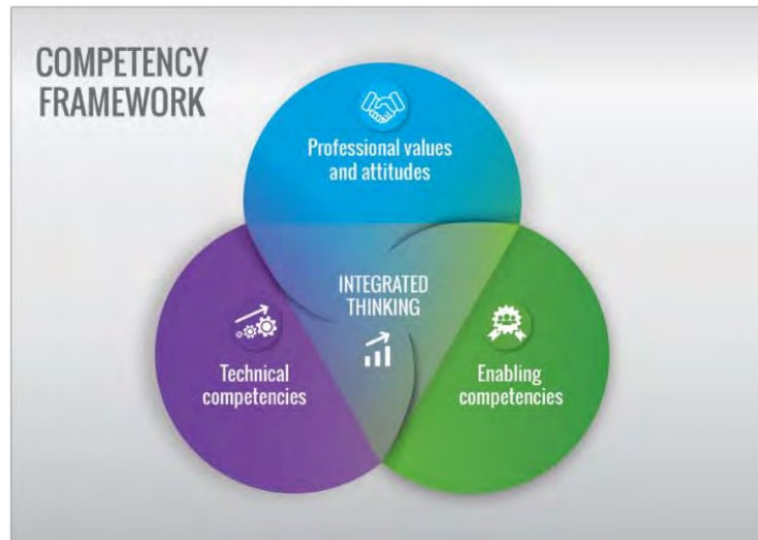
Source: OECD (2020:43)

This change in the role and therefore underpinning competencies are also mirrored by the recognised controlling bodies in South Africa. There are currently 12 recognised controlling bodies (SARS, 2021) in terms of section 240 of the Tax Administration Act (2011) covering accounting, law and financial planning services:

- Chartered Institute of Management Accountants (CIMA)
- Chartered Governance Institute of Southern Africa
- Financial Planning Institute (FPI)
- Institute of Accounting and Commerce (IAC)
- SA Institute of Chartered Accountants (SAICA)
- SA Institute of Professional Accountants (SAIPA)
- SA Institute of Tax Professionals (SAIT)
- The Association of Chartered Certified Accountants (ACCA)
- Association of Accounting Technicians South Africa (AAT(SA))
- Southern African Institute for Business Accountants (SAIBA)
- Independent Regulatory Board for Auditors (IRBA)
- Legal Practice Council.

All of these controlling bodies are engaging with the future requirements of their members and more broadly with groups in society, such as members' clients. As an example of the extension of the competency skillset required, SAICA approved their new CA2025 Competency Framework (SAICA, 2021:8) in April 2021. In terms of the new framework, technical knowledge will remain one of the key competency areas but the need for professional values and attitudes as well as enabling competencies to have been highlighted (Figure 9).

FIGURE 9: Competency framework



Source: (SAICA, 2021:8)

In terms of the new competency framework, professional values and attitudes are categorised into three competency areas, namely ethics values and attitudes, citizenship values and attitudes and lifelong learning values and attitudes (SAICA, 2021:8). Enabling competencies are categorised into four competency areas, namely business acumen, decision making acumen, relational acumen and digital acumen (SAICA, 2021:9). Lastly, the technical competencies are categorised into six competency areas namely strategy and governance to create sustainable value, stewardship of capitals: business process and risk management, decision-making to increase, decrease or transform capitals, reporting on value creation, tax governance and compliance and assurance and related services. In terms of the new framework, graduates will require to obtain a more holistic skills set, no longer focused on the purely technical component. Other professional bodies are also revising their competencies frameworks to ensure that their constituents are also future ready. The exposure that students obtained in the various tax clinics have indicated that the students indeed acquired an enhance skill set as envisaged by this competency framework through the real-life experience through client engagement.

3.2.3.2 Broader industry

An example where the broader financial services industry and government are already working collaboratively is the National Consumer Financial Education Committee (NCFEC). The multi-stakeholder committee was established in 2012 to secure the active involvement, collaboration and coordination of a range of stakeholders in consumer financial education. The Committee is chaired by National Treasury and comprises representatives of the financial sector industry, government departments, regulators, academia, and other civil society organisations.

The mandate of the committee amongst others, includes to develop the national consumer financial education strategy; oversee its implementation and provide leadership and guidance in the planning, coordination, implementation, monitoring and evaluation of consumer financial education programmes. The work programme of the Committee is supported through workgroups. Members of the committee include a variety of industry bodies (e.g. ASISA, SAIA, BASA, FPI, SAICA etc), several government departments (e.g. National Treasury and Department of Basic Education), regulators (e.g. FSCA, NCR and SARB), ombuds and academia. One of the working groups of the NCFEC is tasked with updating the core competency framework for financial literacy for South Africa – the framework will cover children, youth and adults. Future work of the competency framework also includes the development of a core competency framework for financial literacy application to small business owners (SMMEs). Thus, an informal vehicle of collaboration already exists, however there are some issues given that there is not a formal entity that acts as the NCFEC, this limit its ability to raising funds and having the impact it could achieve.

3.2.4 Civil Society

The clinical programmes provided by the various tax clinics allows access to justice for vulnerable taxpayers as well. As evident from the nature of services provided, clients of the clinics are provided with advisory services that include the provision of timely and accurate tax advice. They also can obtain appropriate representation dealing with administration as well as legislative matters. Education is provided that empowers the taxpayers to become self-sufficient which is not normally part of the focus of a paid professional. Lastly, through advocacy, this group's interests are identified and submitted to various key stakeholders – it gives them the opportunity to have their voice heard. Furthermore, by including the users (or potential clients) in the design of the clinic for the South African context as per the living lab methodology it ensures that the services offered are in alignment with the expectation from the future clients. Any potential barriers that would hinder their participation could also be identified and resolved before scaling the project.

Focusing on the learners involved in the clinical programmes as well, Castelyn, et al (2020:15) reported on the observable learning outcomes for students involved in their tax clinic. The benefits included the development of an appreciation for serving their community as well as fostering a sense of belonging amongst their peers and co-workers. The learners experienced a sense of pride in their own work. From the “traditional” educational outcome perspective, it was clear that their technical knowledge greatly improved due to the queries they had to resolve. However, aligned to the revised objectives as discussed in section 3.2.3, the soft skills such as communication and other key graduate attributes of the students also greatly improved. The service-learning pedagogy seems to be effective to ensure that the students are exposed to real-life situations.

4. Concluding remarks

In conclusion, the tax clinic concept has proven itself as being effective for a variety of stakeholders. However, certain limitations have also been identified by the various individual studies briefly discussed. Thus, although they are part of the same national initiative, there is not necessarily any collaboration between the various clinics that will allow for the sharing of resources but also lessons learned. That said, the recent special feature in the *Journal of Australian Taxation* is an excellent way in which the experiences have been shared on the various Australian tax clinics which has the potential to facilitate greater collaboration. By creating a national clinic as suggested by the holistic South African Wellness living lab clinic, several benefits will be achieved. Key financial and tax education resources can be collectively developed that allows for quality assurance but also ensuring that everyone is provided with the same content. For example, through collaboration with the universities and tax administration a portfolio of open education resources (OERs) can be developed that is made freely available to all involved in the national clinic. By providing the set of quality OERs, more branches of the national clinic can be established which does not need to be limited to the tax administration or universities’ capacities.

Other stakeholders such as the industry representatives can support clinic branches or provide funding for non-profit organisations that could assist in taking the programme to ‘grass root’ levels and therefore increasing the reach of the initiative but still limiting the costs. Given the extensive network of universities, a blended implementation approach can be considered which allows for face-to-face as well as online engagement. This reach can be extended through the inclusion of more implementation partners.

Furthermore, noting Castelyn et al (2020:22)’s recommendation of a national steering committee for the Australian project, the living lab approach allows for the establishment of

such a committee. The steering committee could be tasked with development of the business model that includes the funding aspects, governance of the project as well as ensuring quality assurance with content develop and services provided. A branch network of clinics can be considered to ensure uniformity of the experience **but also identify of the initiative that will provide a sense of trust with the clients.?** The steering committee could also assist in the development of a network of potential employers for the graduates as the potential employers would be involved in the various clinics – a process to formalise the engagement will contribute to reduce the high unemployment numbers amongst the youth in South Africa. Thus, to conceptualise a holistic national clinic programme will greatly benefit South Africa and should ensure the effectiveness of the project but utilising our scare resources optimally.

Limitations/challenges?

Major limitations include there being no comparable model that can be adapted for South Africa, necessitating considerable ground-breaking work to develop an appropriate model. Vital to its success will be overcoming the challenge of securing adequate funding in the development, implementation and operational phases of the model. This will be immensely challenging in South Africa's fiscal environment. Without such funding, the initiative will never 'get off the ground.'

What needs to be established early on is the importance of taxation in this model – if it is determined to be of considerable importance then will assist with building the necessary momentum in this area. If it is relegated to a secondary or lower priority, then little progress can be expected for some time, and arguably the model will be less effective overall in achieving its aims.

A question for further consideration is whether some form of 'test case' is needed to determine the effectiveness of the model; that is, relevant pilot testing. It is proposed that taxation should be included in this pilot testing phase.

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