



Australian Government



INFORMATION FOR TAX PRACTITIONERS

SUPERVISION AND COMPETENCY

Overview

You must ensure that tax agent or BAS services you provide, or are provided on your behalf, are provided competently. This includes ensuring each entity providing tax agent or BAS services on your behalf:

- maintains knowledge and skills relevant to the tax agent or BAS services they provide
- is appropriately supervised.

Complementing and extending the Code of Professional Conduct

The [Code of Professional Conduct \(Code\)](#) requires you to ensure tax agent or BAS services you provide, or are provided on your behalf, are provided competently. This includes by maintaining knowledge and skills relevant to the tax agent or BAS services you provide.

The Tax Agent Services (Code of Professional Conduct) Determination 2024 complements and extends the Code by specifically requiring you to ensure entities that provide tax agent or BAS services **on your behalf**:

- maintain sufficient skills and knowledge to provide those services competently
- are appropriately supervised, having regard to the knowledge and skills of the entity, the tax agent or BAS services they provide, and your practice's quality management system.

What is required in practice?

To ensure tax agent or BAS services are provided competently, you must ensure:

- unregistered entities providing tax agent or BAS services on your behalf are provided with adequate training (formal and/or informal)
- substantive review and sign-off of work is conducted prior to sending work to clients or lodging returns
- appropriate supervision is implemented and maintained, and
- a quality management system is in place which may include undertaking quality review of work undertaken by staff.

Not every one of these considerations will be relevant for each registered tax practitioner. Ultimately, it will be a matter for you to decide what is required for your practice, having regard to the facts and circumstances.

Examples of appropriate supervision

If an individual (staff) is relatively inexperienced and unskilled in the relevant area of taxation, you may be required to provide and maintain:

- initial and ongoing training enabling the individual to provide the tax agent or BAS service competently

- substantive review and sign-off of the individual's work to a greater degree than mere spot-checks
- a supervisory plan or process to ensure work is appropriately reviewed and any issues are escalated for further consideration.

Comparatively, for more experienced individuals with relevant knowledge and skills, you may be required to ensure:

- substantive supervision and control is maintained through periodic spot-checks
- the individual maintains and updates knowledge and skills relevant to the tax agent or BAS services they provide
- the individual is subject to and complies with supervisory plans and processes.

Further information

- Section 35 of the [Tax Agent Services \(Code of Professional Conduct\) Determination 2024](#)
- [TPB\(I\) 48/2024 Supervision, competency and quality management under the Tax Agent Services Act 2009](#)
- [The Code Determination – Background and context](#)