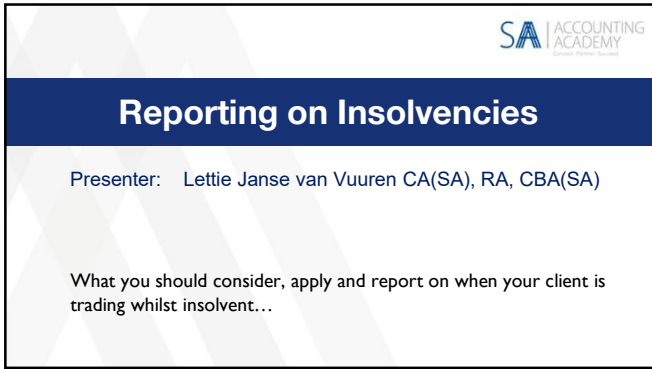





1



2



3

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These rewards include discounts, reduced premiums and free stuff.

4


Reward Partners 




5


Presenter 

Lettie Janse van Vuuren CA(SA), RA, CBA(SA)

- Lettie joined SA Accounting Academy in November 2017 as Head of Technical. She is a Chartered Accountant, Registered Auditor and Certified Business Accountant.
- She is a **professional trainer and webinar host**, and with her relaxed and humorous presentation style, she is able to hold the attention of an audience. She has a unique ability to communicate with delegates at their respective levels of knowledge and experience. Over the last 20 years, she has trained thousands of partners, managers, trainee accountants and other professionals.
- She is responsible for our MCLU (Monthly Compliance and Legislation Updates).
- She was the Professional Development Manager at SAICA for 4 years and in charge of accrediting new training offices and monitoring existing ones (including the moderation of training offices and trainee assessments).
- Lettie is passionate about improving the efficiency and standardisation at practices. She has extensive experience on a variety of technical and practical topics which she consults on, including: SAICA re-accreditation assistance and preparation, IRBA inspection assistance and preparation, audit file reviews (post-issuance monitoring and EQCR), Quality control implementation, other office-specific manuals, and FASSET skills development facilitation.



6


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The webinar is available under the "Recording(s)" tab and the presentation under the "Files" tab.

7


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8


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9


Ask Questions



To ask questions and interact during the webinar please use the chat sidebar to the right of the video / presentation on the screen.

Feel free to ask your questions during the webinar in the chat, these will be addressed in the formal Q & A at the end of the presentation.


10



Course Outline

11


Table of Content



- Module 1: Introduction
- Module 2: Legal references
- Module 3: Understand your client's responses to factual solvency
- Module 4: Factors to consider
- Module 5: Your reporting obligations
- Module 6: Bonus documents

12


Quote



Disputes can have serious consequences for small businesses, from short-term cashflow difficulties to insolvency.

- Emma Featherstone


13



**Module 1
INTRODUCTION**

14

Module 1




Module 1: Introduction

The following sections are dealt with here:

- Commercial vs Factual insolvency
- The potential legal consequences arising with insolvencies

15

Commercial VS Factual 

Commercial Insolvency

- not having enough funds available to pay the company's debts in the normal course of business

Factual Insolvency


- When liabilities exceed assets, factual insolvency exists. This is also commonly referred to as technical insolvency

16

Potential Legal Consequences 

- Summary of certain relevant principles (from Case Law)
 - Refer to Webinar Material for detail
- CIPC Notice 7 of 2016
 - Refer to Source document
- Legal article: Directors trading in insolvent circumstances
 - Refer to Source document

17



**Module 2
LEGAL REFERENCES**

18

Module 2

Module 2: Legal references

The following sections are dealt with here:

- Companies Act:
 - Consideration of the solvency and liquidity test in Section 4 of the Companies Act (and making the connection to the evaluation thereof on the new CIPC Compliance Checklist)
 - Application of Section 22 of the Companies Act on Close Corporations
 - Consideration of Section 129 "financially distressed companies"
- Companies Regulation 29
- Auditing Profession Act – 2 most NB differences re IRBA RI & CIPC RI
- Compliance with auditing and review standards
 - Refer to Webinar Material for detail

19

Module 3

RESPONSES TO FACTUAL INSOLVENCY

20


Module 3

Module 3: Responses to insolvency

The following sections are dealt with here:


- Subordination agreements, letters of comfort, guarantees, letters of support, etc.
- Other responses to factual insolvency
 - Refer to Webinar Material for detail

21



Module 4
FACTORS TO CONSIDER

22



Module 4


Module 4: Factors to consider

The following sections are dealt with here:

- Your consideration of companies' responses, i.e. subordination agreements, letters of comfort, guarantees, letter of support, etc.

> Refer to Webinar Material for detail

23



Module 5
REPORTING OBLIGATIONS

24

Module 1

SAI ACCOUNTING ACADEMY

Module 5: Reporting obligations

The following sections are dealt with here:

- How, when and to whom?
- As Auditor
 - Refer to Webinar Material for detail
- As Independent Reviewer
 - Refer to Webinar Material for detail
 - "Steps to alert CIPC about a Reportable Irregularity"

25

SAI ACCOUNTING ACADEMY

**Module 6
BONUS DOCUMENTS**

26

Module 6

SAI ACCOUNTING ACADEMY

Module 6: Bonus Documents

The following documents are dealt with here:

- **Subordination agreements checklist** (containing procedures you should perform)
- **2 Examples of subordination agreements** (broad guidance is provided regarding an appropriate format of subordination agreements)
- **Example audit working paper** to document consideration of a possible Reportable Irregularity due to insolvencies
 - *Can easily be adapted when performing an independent review*

27

Formal Q&A Session 


We will now discuss some questions received during the webinar.

A summary will also be provided to you (uploaded to your profile)

If you would like to e-mail a question please use:
technicalquestions@accountingacademy.co.za

www.accountingacademy.co.za

28



Thank you for your participation

29



Your source for accounting knowledge

30
