

Immigration Accounting

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Presenter

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"Education is the most powerful weapon which you can use to change the world." – Nelson Mandela

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***“If I have ever seen magic, it has
been in Africa”***

John Hemingway



Introduction

Immigration Accounting

Immigration definition

the act of someone coming to live in a different country

Source: Cambridge English Dictionary

Governed by the South-African Immigration legislation:

Immigration Act 13 of 2002

Immigration Act Regulations

Immigration Accounting



Accounting definition

the work of preparing the financial records of people, companies, or organizations

Source: Cambridge English Dictionary

Governed by International Standard-Setting Boards:

The International Auditing and Assurance Standards Board IAASB

The International Auditing and Assurance Standards Board (IAASB) is an independent standard-setting body that serves the public interest by setting high-quality international standards for auditing, quality control, review, other assurance, and related services, and by facilitating the convergence of international and national standards. In doing so, the IAASB enhances the quality and uniformity of practice throughout the world and strengthens public confidence in the global auditing and assurance profession.

The International Accounting Education Standards Board IAESB

The International Ethics Standards Board for Accountants IESBA

The International Public Sector Accounting Standards Board IPSASB



Immigration Act and Regulations

Immigration Act and Regulations

The Immigration Act 13 of 2002, as amended, states the requirements for foreign investors to obtain a Business Visa that will allow them to immigrate to South Africa for the purposes of conducting business.

Definition of visa

Definition of work

Business visa



Immigration Act and Regulations

Definition of visa

“**visa**” means the authority to temporarily sojourn in the Republic for purposes of-

- (a) transit through the Republic as contemplated in section 10B;
- (b) a visit as contemplated in section 11;
- (c) study as contemplated in section 13;
- (d) conducting activities in the Republic in terms of an international agreement to which the Republic is a party as contemplated in section 14;
- (e) establishing or investing in a business as contemplated in section 15;

Immigration Act and Regulations

Definition of visa

- (f) working as a crew member of a conveyance in the Republic as contemplated in section 16;
 - (g) obtaining medical treatment as contemplated in section 17;
 - (h) staying with a relative as contemplated in section 18;
 - (i) working as contemplated in section 19 or 21;
 - (j) retirement as contemplated in section 20;
 - (k) an exchange programme as contemplated in section 22; or
 - (l) applying for asylum as contemplated in section 23,
- whichever is applicable in the circumstances;

Immigration Act and Regulations

Definition of work

“work” includes-

(a) conducting any activity normally associated with the running of a specific business; or

(b) being employed or conducting activities consistent with being employed or consistent with the profession of the person, with or without remuneration or reward,

within the Republic.

Immigration Act and Regulations

Business visa

Contained in Section 15 of the Immigration Act

Immigration Act and Regulations

Section 15 of the Immigration Act 13, 2002:

15. Business visa

(1) Subject to subsection (1A), a business visa may be issued by the Director-General to a foreigner intending to establish or invest in, or who has established or invested in, a business in the Republic in which he or she may be employed, and an appropriate visa for the duration of the business visa to the members of such foreigner's immediate family: Provided that -

- (a) such foreigner invests the prescribed financial or capital contribution in such business;
- (b) the contribution referred to in paragraph (a) forms part of the intended book value of such business; and
- (c) such foreigner has undertaken to -
 - (i) comply with any relevant registration requirement set out in any law administered by the South African Revenue Service; and
 - (ii) employ the prescribed percentage or number of citizens or permanent residents within a period of 12 months from the date of issue of the visa.

Immigration Act and Regulations

Section 15 of the Immigration Act 13, 2002:

Section 15(1A) No business visa may be issued or renewed in respect of any business undertaking which is listed as **undesirable** by the Minister from time to time in the Gazette, after consultation with the Minister responsible for trade and industry.

Immigration Act and Regulations

Undesirable business *

Please note that the following businesses are regarded as undesirable:

- 1. Businesses that import second hand motor vehicles into the Republic for the purpose of exporting to other markets outside the Republic of South Africa*
- 2. The exotic entertainment industry*
- 3. Security industry*
- 4. Hospitality industry*
- 5. Fast-food outlets and franchises*
- 6. Cosmetic and beauty industry*

* Published on Department of Home Affairs under documents required: business.

Source <http://www.dha.gov.za/index.php/permanent-res/10-immigration-services/972-documents-required-business>

Immigration Act and Regulations

Section 15 of the Immigration Act 13, 2002:

Section 15(2) The holder of a business visa may not conduct work other than work related to the business in respect of which the visa has been issued.

Section 15(3) The Director-General may reduce or waive the financial or capital contribution referred to in subsection (1)(a) for businesses which are prescribed to be in the national interest, or when so requested by the Department of Trade and Industry.

Immigration Act and Regulations

Section 15 of the Immigration Act 13, 2002:

Section 15(4) The holder of a business visa shall submit proof to the satisfaction of the Director-General that he or she has fulfilled the requirements contemplated in subsection (1)(a) within 24 months of the issuance of the visa, and within every two years thereafter.

Section 15(5) A business visa may be issued to a foreigner for more than one entry if multiple entries into the Republic by that foreigner over a period of time are necessary for that foreigner to conduct the business in question effectively.

Immigration Act and Regulations

Regulation 14 (1) - Business Visa

14.(1) An application for a business visa by a foreigner who intends to establish a business or invest in a business that is not yet established in the Republic, shall be accompanied by—

(a) a certificate or a factual finding report issued by a chartered accountant registered with the South African Institute of Chartered Accountants, a professional accountant registered with the South African Institute of Professional Accountants or a Business Accountant registered with the South African Institute for Business Accountants...”

Immigration Act and Regulations

Regulation 14 (1) - Business Visa

Professional designations of accountants who may issue Factual Finding Report:

CA(SA) - Chartered Accountants, registered with the South African Institute of Chartered Accountants (SAICA)

PA(SA) - Professional Accountants, registered with the South African Institute of Professional Accountants (SAIPA)

BAP(SA) - Business Accountants, registered with the Southern African Institute for Business Accountants (SAIBA)

Immigration Act and Regulations

Regulation 14 (1) - Business Visa

(i) at least an amount in cash to be invested in the Republic as determined from time to time by the Minister, after consultation with the Minister of Trade and Industry, by notice in the Gazette, is available; or

(ii) at least an amount in cash and a capital contribution as determined from time to time by the Minister, after consultation with the Minister of Trade and Industry, by notice in the Gazette, is available;

Immigration Act and Regulations

Regulation 14 (1) - Business Visa

(b) an undertaking by the applicant that at least 60% of the total staff complement to be employed in the operations of the business shall be South African citizens or permanent residents employed permanently in various positions: Provided that proof of compliance with this undertaking shall be submitted within 12 months of the issuance of the visa;

Immigration Act and Regulations

Regulation 14 (1) - Business Visa

(c) an undertaking to register with the—

- (i) South African Revenue Service;
- (ii) Unemployment Insurance Fund;
- (iii) Compensation Fund for Occupational Injuries and Diseases;
- (iv) Companies and Intellectual Properties Commission (CIPC), where legally required; and
- (v) relevant professional body, board or council recognized by SAQA in terms of section 13(1)(i) of the National Qualifications Framework Act, where applicable,

Immigration Act and Regulations

Regulation 14 (1) - Business Visa

Provided that upon registration, all certificates shall be submitted to the Director-General;

(d) a police clearance certificate; and

(e) a letter of recommendation from the Department of Trade and Industry regarding—

(i) the feasibility of the business; and

(ii) the contribution to the national interest of the Republic.

Immigration Act and Regulations

Regulation 14 (2) - Business Visa

14(2) An application for a business visa by a foreigner who has established a business or invested in an existing business in the Republic, shall be accompanied by-

- (a) a certificate issued by a chartered accountant registered with the South African Institute of Chartered Accountants or a professional accountant registered with the South African Institute of Professional Accountants to the effect that-
 - (i) at least an amount in cash to be invested or to be invested in the Republic as determined from time to time by the Minister, after consultation with the Minister of Trade and Industry, by notice in the Gazette, is available or already invested; or
 - (ii) at least an amount in cash and a capital contribution as determined from time to time by the Minister, after consultation with the Minister of Trade and Industry, by notice in the Gazette, is available or already invested;

Immigration Act and Regulations

Regulation 14 (2) - Business Visa

- (b) proof that at least 60% of the total staff complement employed in the operations of the business are South African citizens or permanent residents employed permanently in various positions;
- (c) proof of registration with the-
 - (i) South African Revenue Service;
 - (ii) Unemployment Insurance Fund;
 - (iii) Compensation Fund for Occupational Injuries and Diseases;
 - (iv) Companies and Intellectual Properties Commission (CIPC), where legally required; and
 - (v) relevant professional body, board or council recognized by SAQA in terms of section 13(1)(0 of the National Qualifications Framework Act, where applicable;

Immigration Act and Regulations

Regulation 14 (3) - Business Visa

14(3) A foreigner who invests or has invested in an existing business shall, in addition to complying with subregulation (2), submit-

- (a) financial statements in respect of the preceding financial year; and
- (b) proof of investment.

Immigration Act and Regulations

Regulation 14 (3) - Business Visa

(4) The applicant must, within 12 months of the visa being issued, submit to the Director- General a letter of confirmation from the Department of Labour that 60% of the staff complement employed in the operations of the business are South African citizens or permanent residents who are employed permanently in various positions.

Immigration Act and Regulations

Regulation 14 (3) - Business Visa

14(5) A business visa may be issued for a period not exceeding three years



ISRS 4400 (Revised)

Final Pronouncement
April 2020

ISRS 4400 (Revised)

Background

ISRS 4400 (Revised) is a standard developed by the International Auditing and Assurance Standards Board (IAASB), who is an independent international standard-setting board, responsible for issuing high-quality international standards in the public interest as well as non-authoritative pronouncements, such as guidance material for implementation.

The structures and processes that support the independent standard-setting boards' operations are facilitated by the International Federation of Accountants (IFAC).

IFAC is committed to a global standard-setting system that is credible, inclusive, legitimate, and produces international standards that are relevant, innovative, and responsive to meet the challenges of the future. Transparent, high-quality international standards used by professional accountants is an essential pillar of the global financial architecture.

ISRS 4400 (Revised)

Introduction

Scope

The practitioner's responsibilities when engaged to perform an AUP engagement;

The form and content of an AUP report;

The standard applies to the performance of an AUP engagement for **financial** and **non-financial** subject matters;

Relationship with **ISQC I*** – the quality control systems, policies and procedures are responsibility of the firm. ISQC I relates and applies to firms of professional accountants in respect of an AUP engagements, in which the firm is involved.

* **ISQC I** was replaced by the International Standard on Quality Management I (**ISQM I**) on 17 December 2020 and firms are required to have systems of quality management designed and implemented in accordance with **ISQM I** by December 15, 2022

ISRS 4400 (Revised)

Introduction

Scope

AI – Reference to “subject matters” in this ISRS encompasses anything on which agreed-upon procedures are performed, including information, documents, measurements or compliance with laws and regulations, as relevant.

A2 – Examples of financial and non-financial subject matter on which agreed-upon procedures engagement may be performed include:

Financial subject matter relating to:

- o The entity’s financial statements or specific classes of transactions, account balances or disclosures within the financial statements;
- o Eligibility of expenditure claimed from a funding program
- o Revenues for determining royalties, rent or franchise fees based on a percentage of revenues
- o Capital adequacy ratios for regulatory authorities.

ISRS 4400 (Revised)

Introduction

Scope

A2 – Non-financial subject matters relating to:

- o Numbers of passengers reported to a civil aviation authority.
- o Observation of destruction of fake or defective goods reported to a regulatory authority.
- o Data generating processes for lottery draws reported to a regulatory authority.
- o Volume of greenhouse gas emissions reported to a regulatory authority

The above list is not exhaustive. **Additional types of subject matters may arise as external reporting demands evolve.**

ISRS 4400 (Revised)

Introduction

The AUP engagement

In an AUP engagement the practitioner performs the procedures that have been agreed upon by the practitioner and the engaging party;

The engaging party has acknowledged that the procedures performed are appropriate for the purposes of the engagement;

The practitioner communicates the performed agreed upon procedures and the related findings in an AUP report;

The engaging party and other intended users of the AUP report consider for themselves the agreed-upon procedures and the reported by the practitioner findings and draw their own conclusion from the work performed by the practitioner;

An AUP engagement is not an audit, review, or other assurance engagement and it does not involve obtaining evidence for the purpose of the practitioner expressing an opinion or an assurance conclusion in any form.

ISRS 4400 (Revised)

Introduction

Authority and effective date

ISRS 4400 (Revised) contains requirements, expresses using “**shall**”, which are designed to compel and enable the practitioner to meet the objectives of the standard;

The introductory material, definitions, applications and other explanatory material provide relevant context to a proper understanding of the standard;

The application and other explanatory material provide detailed explanation of the requirements and guidance for carrying them out;

ISRS 4400 (Revised) is effective for AUP engagements where the **terms of engagement are agreed on, or after 1 January 2020.**

ISRS 4400 (Revised)

Objectives

The practitioner's objectives in an AUP engagement:

- (a) Agree with the engaging party the procedures to be performed;
- (b) Perform the agreed-upon procedures; and
- (c) Communicate the procedures performed and the related findings in accordance with the requirements of this ISRS.

ISRS 4400 (Revised)

Objectives



ISRS 4400 (Revised)

Definitions

The ISRS 4400 (Revised) attributed meanings and definitions to the terms below for the purposes of the standard:

Agreed-Upon Procedures;

AUP Engagement;

Engagement partner;

Engaging party;

Engagement team;

Findings;

Intended Users;

Practitioner;

Practitioner's expert;

Professional Judgement;

Relevant Ethical requirements;

Responsible party

ISRS 4400 (Revised)

Requirements

(Para 14) The practitioner shall have an understanding of the entire text of this ISRS, including its application and other explanatory material, to understand its objectives and to apply its requirements properly.

Complying with relevant requirements

Relevant ethical requirements

Professional judgement

Engagement level quality control

Engagement acceptance and continuance

Agreeing the terms of the engagement

Performing the Agreed-Upon Procedures

Using the work of a practitioner's expert

The AUP report

Undertaking an Agreed-Upon Procedures Engagement Together with Another Engagement

Documentation

ISRS 4400 (Revised)

Requirements

Relevant Ethical Requirements

Complying with relevant requirements

(Para 15) The practitioner shall comply with each requirement of this ISRS unless a particular requirement is not relevant to the agree-upon procedures engagement, for example, if the circumstances addressed by the requirement do not exist in the engagement.

(Para 16) The practitioner shall not represent compliance with this ISRS unless the practitioner has complied with all requirements of this ISRS relevant to the agreed-upon procedures engagement.

ISRS 4400 (Revised)

Requirements

Relevant Ethical Requirements

(Para 17) The practitioner shall comply with relevant ethical requirements

A14 – Relevant ethical requirements ordinarily comprise the IESBA Code, together with national requirements that are more restrictive. The IESBA Code requires practitioners to comply with fundamental principles including objectivity, which requires practitioners not to compromise their professional or business judgment because of bias, conflict of interest or the undue influence of others. Accordingly, relevant ethical requirements to which the practitioner is subject would, at a minimum, require the practitioner to be objective when performing an agreed-upon procedures engagement.

A15 – The IESBA Code does not contain independence requirements for agreed-upon procedures engagements. However, national ethical codes, laws or regulations, other professional requirements, or conditions of contract, program, or arrangement, relating to the subject matter for the AUP engagement may specify requirements pertaining to independence.

ISRS 4400 (Revised)

Relevant Ethical Requirements

Non-Compliance with Laws and Regulations

AI6 – Law, regulation or relevant ethical requirement may:

- (a) Require the practitioner to report identified or suspected non-compliance with laws and regulations to an appropriate authority outside the entity;
- (b) Establish responsibilities under which reporting to an appropriate authority outside the entity may be appropriate in the circumstances.

AI7 – Reporting identified or suspected non-compliance with laws and regulations to an appropriate authority outside the entity may be required or appropriate in the circumstance because:

- (a) Law, regulation or relevant ethical requirements require the practitioner to report;
- (b) The practitioner has determined reporting is an appropriate action to respond to identified or suspected non-compliance in accordance with relevant ethical requirements;
- (c) Law, regulation or relevant ethical requirements provide the practitioner with the right to do so.

ISRS 4400 (Revised)

Relevant Ethical Requirements

Non-Compliance with Laws and Regulations

A18 – The practitioner is not expected to have a level of understanding of laws and regulation beyond that necessary to be able to perform the AUP engagement. However, law, regulation or relevant ethical requirements may expect the practitioner to apply knowledge, professional judgment and expertise in responding to identified or suspected non-compliance. Whether an act constitutes actual non-compliance is ultimately a matter to be determined by a court or other appropriate adjudicative body.

A19 – In some circumstances, the reporting of identified or suspected non-compliance with laws and regulations to an appropriate authority outside the entity may be precluded by the practitioner's duty of confidentiality under law, regulation, or relevant ethical requirements. In other case, reporting identified or suspected non-compliance to an appropriate authority outside the entity would not be considered a breach of the duty of confidentiality under the relevant ethical requirements.

A20 – The practitioner may consider consulting internally, obtaining legal advice to understand the professional or legal implications of taking any particular course of action, or consulting on a confidential basis with a regulator or professional body (unless doing so is prohibited by law or regulations, or would breach the duty of confidentiality).

ISRS 4400 (Revised)

Professional Judgement

Definition

Professional judgment - The application of relevant training, knowledge and experience, within the context provided by this ISRS and relevant ethical requirements, in making informed decisions about the courses of action that are appropriate in the circumstances of the agreed-upon procedures engagement.

(Para 18) The practitioner shall exercise professional judgement in accepting, conducting and reporting on an agreed-upon procedures engagement, taking into account the circumstances of the engagement.

ISRS 4400 (Revised)

Engagement Level Quality Control

(Para 19) – The engagement partner shall take responsibility for:

- (a) The overall quality of the AUP engagement, including, if applicable, work performed by a practitioner's expert; and
- (b) The engagement being performed in accordance with the firm's quality control policies and procedures by:
 - (i) Following appropriate procedures regarding the acceptance and continuance of client relationships and engagements;
 - (ii) Being satisfied that the engagement team, and any practitioners experts who are not part of the engagement team, collectively have the appropriate competence and capabilities to perform the AUP engagement;
 - (iii) Being alert for indications of non-compliance by members of the engagement team with relevant ethical requirements, and determining the appropriate actions of matter come to the engagement partner's attention indicating that members of the engagement team have not complied with relevant ethical requirements;
 - (iv) Directing, supervising and performing the engagement in compliance with professional standards and applicable legal and regulatory requirements; and
 - (v) Taking responsibility for appropriate engagement documentation being maintained.

ISRS 4400 (Revised)

Engagement Level Quality Control

(Para 20) – If the work of a practitioner's expert is to be used, the engagement partner shall be satisfied that the practitioner will be able to be involved in the work of the practitioner's experts to an extent that is sufficient to take responsibility for the findings included in the AUP report.

A24 – The actions of the engagement partner and appropriate messages to the other members of the engagement team, in taking responsibility for the overall quality on each engagement, emphasize the importance to achieving the quality of the engagement of:

- (a) Performing work that complies with professional standards and regulatory and legal requirements;
- (b) Complying with the firm's quality control policies and procedures as applicable; and
- (c) Issuing the practitioner's report for the engagement in accordance with this ISRS.

ISRS 4400 (Revised)

Engagement Level Quality Control

A25 – ISQC I requires the firm to obtain such information as it considers necessary in the circumstances before accepting the engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. Information that assists the engagement partner in determining whether acceptance or continuance of client relationships and agreed-upon procedures engagement is appropriate, may include information concerning the integrity of the principal owners, key management and those charged with governance. If the engagement partner has cause to doubt management's integrity to a degree that is likely to affect proper performance of the engagement, it may not be appropriate to accept the engagement.

A26 – ISQC I sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with relevant ethical requirements. This ISRS sets out the engagement partner's responsibilities with respect to the engagement team's compliance with relevant ethical requirements.

A27 – If the practitioner is unable to meet the requirement in paragraph 20, it may be appropriate for the practitioner to agree with the engaging party to limit the scope of the agreed-upon procedures engagement to procedures for which the practitioner can appropriately take responsibility. The engaging party may separately engage an expert to perform the other procedures.

ISRS 4400 (Revised)

Application and other explanatory material

Contains clarifications and detailed explanations for the following subject matters:

Scope

Effective date

Definitions

Relevant ethical requirements

Professional judgement

Engagement level quality control

Engagement Acceptance and Continuance

Agreeing the terms of the engagement

Performing the agreed-upon procedures

Using the work of a practitioner's expert

The AUP report

Undertaking an AUP engagement together with another engagement

Engagement letter for an AUP engagement



Engagement letter for an AUP engagement

Exercise professional judgement when accepting the engagement

A22 – In accepting, conducting and reporting on an agreed-upon procedures engagement, professional judgement is exercised, for example, in:

Accepting the engagement

Discussing and agreeing with the engaging party and if relevant, with other parties, the nature, timing and extent of the procedures to be performed (taking into account the purpose of the engagement);

Determine if the engagement acceptance and continuance conditions have been met;

Determine the recourses necessary to carry out the procedures as agreed in terms of the engagement, including the need to involve a practitioner's expert;

Determine appropriate actions if the practitioner becomes aware of facts or circumstances suggesting that the procedures to which the practitioner is being asked to agree are inappropriate for the purpose of the AUP engagement.

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

(Para 21) Before accepting or continuing an agreed-upon procedures engagement, the practitioner shall obtain an understanding of the purpose of the engagement. The practitioner shall not accept, or continue the engagement if the practitioner is aware of any facts or circumstances indicating that the procedures the practitioner is being asked to perform are inappropriate for the purpose of the AUP engagement.

(Para 22) The practitioner shall accept or continue the AUP engagement only when:

- (a) The engaging party acknowledges that the expected procedures to be performed by the practitioner are appropriate for the purposes of the engagement;
- (b) The practitioner expects to be able to obtain the information necessary to perform the agreed-upon procedures;
- (c) The agreed-upon procedures and related findings can be described objectively, in terms that are clear, not misleading, and not subject to varying interpretations;
- (d) The practitioner has no reason to believe that relevant ethical requirements will not be complied with; and
- (e) If the practitioner is required to comply with independence requirements, the practitioner has no reason to believe that the independence requirements will not be complied with.

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

(Para 23) If the engagement partner obtains information that would have caused the firm to decline the engagement, had that information been available earlier, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take necessary action.

A28 – In obtaining an understanding of the purpose of the AUP engagement, the practitioner may become aware of indications that the procedures the practitioner is asked to perform are inappropriate for the purpose of the AUP engagement. For example:

- The procedures are selected in a manner intended to bias the intended user's decision-making;

- The subject matter on which the agreed-upon procedures are performed is unreliable;

- An assurance engagement or advisory service may better serve the needs of the engaging party or other intended users.

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

A29 – Other actions that may satisfy the practitioner that the conditions in para 21 and 22 are met include:

Comparing the procedures to be performed with written requirements set out, for example, in law or regulation, or in a contractual agreement;

Requesting the engaging party to:

Distribute a copy of the anticipated procedures and the form and content of the AUP report as set out in the terms of the engagement, to the other intended users;

Obtain acknowledgment from the intended users of the procedures to be performed;

Discuss the procedures to be performed with appropriate representatives of the intended users.

Reading correspondence between the engaging party and the other intended users if the engaging party is not the only intended user.

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

Descriptions of Agreed-Upon Procedures and Findings

A33 – Agreed-upon procedures are described objectively, in terms that are clear, not misleading, and not subject to varying interpretations. This means that they are described at a level of specificity, sufficient for an intended user to understand the nature and extent, and if applicable, the timing of the procedures performed.

Assuming that the terms are appropriate in the context in which they are used, examples of descriptions of actions that may be acceptable include:

- | | |
|----------------|--------------------|
| CONFIRM | INSPECT |
| COMPARE | INQUIRE |
| AGREE | RECALCULATE |
| TRACE | OBSERVE |

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

A34 – Terms that may be unclear, misleading, or subject to varying interpretations depending on the context in which they are used, may include, for example:

Terms associated with assurance under the IAASB's standards such as “present fairly”, or “true and fair”, “audit”, “review”, “assurance”, “opinion”, or “conclusion”;

Terms that imply expression of an assurance opinion or conclusion such as “we certify”, “we verify”, “we have ascertained”, or “we have ensured” with regards to finding’;

Unclear or vague phrases such as “we obtained all the explanations and performed such procedures as we considered necessary”;

Terms that are subject to varying interpretations such as “material”, or “significant”;

Imprecise descriptions of procedures such as “discuss”, “evaluate”, “test”, “analyze”, or “examine” without specifying the nature and extent, and if applicable, the timing, of the procedures to be performed. For example, using the word “discuss” may be imprecise without specifying with whom the discussion was held or the specific questions asked.

Terms that suggest that the findings do not reflect factual results such as “in our view”, “from our perspective” or “we take the position that”.

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

A35 – For example, a procedure such as “review cost allocations to determine if they are reasonable” is unlikely to meet the condition for the terms to be clear, not misleading, or not subject to varying interpretations, because:

The terms “review” may be misinterpreted by some users to mean that the cost allocation was a subject to a limited assurance engagement, even though no such assurance is intended by the procedure;

The term “reasonable” is subject to varying interpretations as to what constitutes “reasonable”

A36 – In circumstances when law or regulation specifies a procedure or describes a procedure using terms that are unclear, misleading, or subject to varying interpretations, the practitioner may satisfy the condition of para 22(c) by, for example, requesting the engaging party to:

Modify the procedure or the description of the procedure so that it is no longer unclear, misleading, or subject to varying interpretations;

If a term is unclear, misleading or subject to varying interpretations, cannot be amended, for example because of law or regulation, include a definition of the terms in the agreed-upon procedures report.

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

Compliance with Independence Requirements

A37 – Paragraph 22(e) applies when the practitioner is required to comply with independence requirements for reasons such as those set out in paragraph A15. Paragraph 22(e) also applies when the practitioner agrees with the engaging party, in the terms of engagement, to comply with independence requirements. For example, the practitioner may have initially determined that the practitioner is not required by relevant ethical requirements, law or regulation, or other reasons to comply with independence requirements. However, when considering engagement acceptance and continuance or agreeing the terms of the engagement, the practitioner's knowledge of the following matters may indicate that a discussion with the engaging party as to whether compliance with certain identified independence requirements is appropriate for the purpose of the agreed-upon procedures engagement:

- The purpose of the agreed-upon procedures engagement;

- The identity of the engaging party, other intended users and responsible party (if different from the engaging party);

- The nature, timing and extent of the procedures to be performed; or

- Other engagements that the practitioner is performing or has performed for the engaging party, other intended users or the responsible party (if different from the engaging party)

Engagement letter for an AUP engagement

Engagement Acceptance and Continuance

Compliance with Independence Requirements

A38 – The practitioner may be the auditor of the financial statements of the engaging party (or responsible party if different from the engaging party). In such a circumstance, if the practitioner is also engaged to conduct and agreed-upon procedures engagement, intended users of the AUP report may assume that the practitioner is independent for the purpose of the agreed-upon procedures engagement. Therefore the practitioner may agree with the engaging party that the practitioner's compliance with the independence requirements applicable to audits of financial statements is appropriate for the purpose of the agreed-upon procedures engagement. In such a case, a statement that the practitioner is required to comply with such independence requirements is included in the terms of the engagement, in accordance with para 24(e)

Engagement letter for an AUP engagement

Agreeing the terms of the engagement

(Para 24) The practitioner shall agree the terms of the agreed-upon procedure engagement with the engaging party and record the agreed terms of engagement in an engagement letter (A40) or other suitable form of written agreement. These terms shall include the following:

- Identification of subject matters

- The purpose of the engagement and the intended users of the AUP report as identified by the engaging party

- Acknowledgment of the relevant ethical requirements to be complied with by the practitioner

- A statement as to whether the practitioner is required to comply with independence requirements

- The nature of the AUP engagement, including statements that:

 - An AUP engagement involves the practitioner performing the procedures, and reporting the findings

 - Findings are the factual results of the AUP performed

 - An AUP engagement is not an assurance engagement and the practitioner does not express an opinion or an assurance conclusion

Engagement letter for an AUP engagement

Agreeing the terms of the engagement (cont'd)

(Para 24) The practitioner shall agree the terms of the agreed-upon procedure engagement with the engaging party and record the agreed terms of engagement in an engagement letter or other suitable form of written agreement. These terms shall include the following:

- Acknowledgment by the engaging party that the agreed-upon procedures are appropriate for the purposes of the engagement

- Identification of the addresses of the AUP report

- The nature, timing and extent of the procedures to be performed, described in terms that are clear, not misleading and not subject to varying interpretations

- Reference to the expected form and content of the AUP report

(Para 25) If the agreed-upon procedures are modified during the course of the engagement, the practitioner shall agree the amended terms of engagement with the engaging party that reflect the modified procedures.

Engagement letter for an AUP engagement

Agreeing the terms of the engagement

Application and other explanatory material from A39 to A44

A39 – Any restrictions on the use or distribution of the AUP report

A40 – An illustrative engagement letter for an AUP engagement in Appendix I

A41 – Inclusion of quantitative thresholds for determining exceptions

A42 – If law or regulation prescribes the nature of the procedures to be performed

A43 – If the terms of the AUP engagement are amended, updated engagement letter, or addendum, or other form of written acknowledgment

A44 – Recurring engagements and engagement letters

Engagement letter for an AUP engagement

ISRS 4400 (Revised) — Agreed-Upon Procedures Engagements

Appendix 1

(Ref: Para. A40)

Illustrative Engagement Letter for an Agreed-Upon Procedures Engagement

The following is an example of an engagement letter for an agreed-upon procedures engagement that illustrates the relevant requirements and guidance contained in this ISRS. This letter is not authoritative and is intended only to be a guide that may be used in conjunction with the considerations outlined in this ISRS. It will need to be adapted according to the requirements and circumstances of individual agreed-upon procedures engagements. It is drafted to refer to an agreed-upon procedures engagement for a single reporting period and would require adaptation if intended or expected to apply to a recurring engagement as described in this ISRS. It may be appropriate to seek legal advice that any proposed letter is suitable.

Engagement letter for an AUP engagement

To [Engaging Party]

You have requested that we perform an agreed-upon procedures engagement on the procurement of [xyz] products. This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services that we will provide. Our engagement will be conducted in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. In performing the agreed-upon procedures engagement, we will comply with [describe the relevant ethical requirements], which does not require us to be independent.

An agreed-upon procedures engagement performed under ISRS 4400 (Revised) involves our performing the procedures agreed with you, and communicating the findings in the agreed-upon procedures report. Findings are the factual results of the agreed-upon procedures performed. You [and if relevant, other parties] acknowledge that the procedures are appropriate for the purpose of the engagement. We make no representation regarding the appropriateness of the procedures. This agreed-upon procedures engagement will be conducted on the basis that [Responsible Party] is responsible for the subject matter on which the agreed-upon procedures are performed. Further, this agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

Engagement letter for an AUP engagement

The procedures that we will perform are solely for the purpose of assisting you in determining whether your procurement of [xyz] products is compliant with your procurement policies.⁷ Accordingly, our report will be addressed to you and our report may not be suitable for another purpose.

We have agreed to perform the following procedures and report to you the findings resulting from our work:

- Obtain from management of [Responsible Party] a listing of all contracts signed between [January 1, 20X1] and [December 31, 20X1] for [xyz] products ("listing") and identify all contracts valued at over \$25,000.
- For each identified contract valued at over \$25,000 on the listing, compare the contract to the records of bidding and determine whether each contract was subject to bidding by at least 3 contractors from [Responsible Party]'s "Pre-qualified Contractors List."
- For each identified contract valued at over \$25,000 on the listing, compare the amount payable per the signed contract to the amount ultimately paid by [Responsible Party] to the contractor and determine whether the amount ultimately paid is the same as the agreed amount in the contract.

⁷ In this case, the engaging party is also the intended user.

Engagement letter for an AUP engagement

ISRS 4400 (Revised) — Agreed-Upon Procedures Engagements

The procedures are to be performed between [Date] and [Date].

Our Agreed-Upon Procedures Report

As part of our engagement, we will issue our report, which will describe the agreed-upon procedures and the findings of the procedures performed [insert appropriate reference to the expected form and content of the agreed-upon procedures report].

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement, including the specific procedures which we have agreed will be performed and that they are appropriate for the purpose of the engagement.

[Insert other information, such as fee arrangements, billings and other specific terms, as appropriate.]

[Firm's name]

Acknowledged and agreed on behalf of [Engaging party's name] by:

[Signature]

[Name and Title]

[Date]



Performing the agreed-upon Procedures

Performing the agreed-upon procedures

(Para 27) The practitioner shall perform the procedures as agreed upon in terms of the engagement

(Para 28) The practitioner shall consider whether to request written representation

A45 – The practitioner may decide to request written representations in some circumstances:

If the agreed-upon procedures involve enquiries, the practitioner may request written representations on the responses that have been provided verbally;

If the engaging party is not the responsible party, the practitioner may agree with the engaging party to include, as an agreed-upon procedure, requests for written representations from the responsible party

Performing the agreed-upon procedures

A22 Exercise professional judgement when conducting the engagement

Determine appropriate actions or responses if, when performing the agree-upon procedures, the practitioner becomes aware of:

Matters that may indicate fraud or an instance of non-compliance or suspected non-compliance with laws and/or regulations;

Other matters that cast doubt on the integrity of the information relevant to the AUP engagement or that indicate that the information may be misleading;

Procedures that cannot be performed as agreed.

Performing the agreed-upon procedures

Use the work of a practitioner's expert

Definition

An individual or organization possessing expertise in a field other than assurance and related services, whose work in that field is used to assist the practitioner in fulfilling the practitioner's responsibilities for the agreed-upon procedures engagement. A practitioner's expert may be either a practitioner's internal expert (who is a partner, or staff, including temporary staff, of the practitioner's firm or a network firm) or a practitioner's external expert.

Performing the agreed-upon procedures

Use the work of a practitioner's expert

(Para 29) If the practitioner uses the work of a practitioner's expert, the practitioner shall:

- (a) Evaluate the competence, capabilities and objectivity of the practitioner's expert;
- (b) Agree with the practitioner's expert on the nature, scope and objectives of that expert's work;
- (c) Determine whether the nature, timing and extend of the work performed by the practitioner's expert is consistent with the work agree with the expert; and
- (d) Determine whether the findings adequately describe the results of the work performed, taking into account the work performed by the practitioner's expert.

Performing the agreed-upon procedures

Application and Other Explanatory Material

Use the work of a practitioner's expert

A46 Using the work of a practitioner's expert may involve the use of an expert to assist the practitioner in:

- Discussing with the engaging party the agreed-upon procedures to be performed;
- Performing on or more of the agreed-upon procedures.

A48 If the practitioner's expert is performing one or more of the agreed-upon procedures,..., it may be appropriate for the practitioner's expert to include matter such as:

- The respective roles and responsibilities of the practitioner and that expert;
- The nature, timing and extent of communication between the practitioner and that expert, including the form of any report to be provided by that expert; and
- The need for the practitioner's expert to observe confidentiality requirements.

Performing the agreed-upon procedures

Application and Other Explanatory Material

Use the work of a practitioner's expert

A49 The agreement between the practitioner and the practitioner's external expert is often in the form of an engagement letter.

A50 When the work of a practitioner's expert is to be used, it may be appropriate to perform some of the procedures required by paragraph 29 at the engagement acceptance or continuance stage.

Examples of agreed-upon procedures

Regulations 14 (1) (a) and 14 (2) (a) specify the legal requirements for a business visa application.

The application must be complemented by a **certificate** issued by a chartered accountant registered with the South African Institute of Chartered Accountants or a professional accountant registered with the South African Institute of Professional Accountants to the effect that-

- (i) at least an amount in cash to be invested in the Republic as determined from time to time by the Minister, after consultation with the Minister of Trade and Industry, by notice in the Gazette, is available, or already invested (Regulation 14(2)(a)); or
- (ii) at least an amount in cash and a capital contribution as determined from time to time by the Minister, after consultation with the Minister of Trade and Industry, by notice in the Gazette, is available or already invested (Regulation 14(2)(a));

Examples of agreed-upon procedures

The practitioner shall carry out the agreed-upon procedures and use the evidence obtained as the basis for the AUP report.

Inquiry and analysis;

Recomputation, comparison and other accuracy checks;

Observation;

Inspection;

Obtaining confirmations;

Examples of agreed-upon procedures

The procedures applied to perform an agreed-upon procedures engagement for business visa purposes may include the following:

- Interview with the business visa applicant;

- Acquire copies of the passport of the business visa applicant;

- Communicate directly with the relevant bank/s to obtain bank statement/s;

- Request and inspect bank statement/s;

- Request and inspect other relevant information and documents relating to capital contribution/s;

- Request recent and historical financial statements from the country of origin;

- Communicate directly with the auditors/reviewers/compiler/s of the financial statements;

- Determine total available amounts in cash;

- Determine total amounts already invested;

- Obtain information in respect of the industry, in which the business visa applicant intends to operate;

- Obtain information about the business visa applicant's knowledge and fluency of the industry and related market/s in his/her country of origin.

The AUP Report



The AUP Report

(Para 30) The AUP report shall be in writing and shall include:

- (a) A title that clearly indicates that the report is and **agreed-upon procedures report**;
- (b) An addressee as set forth in the terms of the engagement (Engagement Letter);
- (c) Identification of the subject matter on which the agreed-upon procedures are performed;
- (d) Identification of the purpose of the agreed-upon procedures report and a statement that the AUP report may not be suitable for other purposes;
- (e) A description of the agreed-upon procedures engagement stating that:
 - (i) An agreed-upon procedures engagement involves the practitioner performing the procedures that have been agreed with the engaging party (and if relevant, other parties), and reporting the findings;
 - (ii) Findings are the factual results of the agreed-upon procedures performed; and
 - (iii) The engaging party (and if relevant, other parties), has acknowledged that the agree-upon procedures are appropriate for the purpose of the engagement;
- (f) If applicable, the responsible party as identified by the engaging party, and a statement that the responsible party is responsible for the subject matter on which the agreed-upon procedures are performed;

The AUP Report

(Para 30) The AUP report shall be in writing and shall include:

- (g) A statement that the engagement was performed in accordance with ISRS 4400 (Revised);
- (h) A statement that the practitioner makes no representation regarding the appropriateness of the agreed-upon procedures;
- (i) A statement that the agreed-upon procedures engagement is not an assurance engagement and accordingly, the practitioner does not express an opinion or an assurance conclusion;
- (j) A statement that, had the practitioner performed additional procedures, other matters might have come the practitioner's attention that would have been reported;
- (k) A statement that the practitioner complies with the ethical requirements of the IESBA Code, or other professional requirements, or requirements imposed by law, or regulations, that are at least demanding;
- (l) With respect to independence:
 - (i) If the practitioner is not required to be independent and has not otherwise agreed in the terms of engagement to comply with independence requirements, a statement that, for the purpose of the engagement, there are no independence requirements with which the practitioner is required to comply; or
 - (ii) If the practitioner is required to be independent or has agreed in the terms of engagement to comply with independence requirements, a statement that the practitioner has complied with the relevant independence requirements. The statement shall identify the relevant independence requirements;

The AUP Report

(Para 30) The AUP report shall be in writing and shall include:

- (m) A statement that the firm of which the practitioner is a member applies ISQC I, or other professional requirements, or requirement in law, or regulation, that at least as demanding as ISQC I. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirement in law or regulation, applied that are at least as demanding as ISQC I;
- (n) A description of the procedures performed detailing the nature and the extent, and if applicable, the timing, of each procedure, as agreed in the terms of the engagement;
- (o) The findings of each procedure performed, including details on exceptions found;
- (p) The practitioner's signature;
- (q) The date of the AUP report; and
- (r) The location in the jurisdiction where the practitioner practices.

The AUP Report

(Para 31) If the practitioner refers to the work performed by a practitioner's expert in the AUP report, the wording of the report shall not imply that the practitioner's responsibility for performing the procedures and reporting the finding is reduced because of the involvement of an expert;

(Para 32) If the practitioner provides a summary of findings in the AUP report in addition to the description of findings as required by paragraph 30(o):

- (a) The summary of findings shall be described in a manner that is objective, in terms that are clear, not misleading, and not subject to varying interpretations; and
- (b) The AUP report shall include a statement indicating that reading the summary is not a substitute for reading the complete report.

(Para 33) The practitioner shall date the AUP report no earlier than the date on which the practitioner completed the agreed-upon procedures and determined the findings in accordance with this ISRS.

The AUP Report

Application and other explanatory material - the AUP report

A52 If applicable, to avoid misunderstanding, the practitioner may wish to clarify that the AUP report does not extend to information beyond subject matters on which the agreed-upon procedures are performed

A53 In addition to the statement required by para 30(d), the practitioner may consider it appropriate to indicate that the AUP report is intended solely for the engaging party and the intended users;

A54 Factors that the practitioner may consider in deciding whether to restrict the distribution or use of the AUP report include, for example:

There is an elevated risk of users other than the intended users misunderstanding the purpose of the agreed-upon procedure engagement, or misinterpreting the findings

The agreed-upon procedures are designed solely for the use of internal users such as management and those charged with governance of the engaging party;

The agreed-upon procedures or findings involve confidential information

The AUP Report

Application and other explanatory material - the AUP report

A55 If the practitioner is unable to describe the agreed-upon procedures or findings without including confidential or sensitive information, the practitioner may consider:

Consulting internally within the firm, or network firm;

Consulting externally with the relevant professional body, or another practitioner; or

Obtaining legal advice,

to understand the professional or legal implications of taking any particular course of action.

A56 There may be circumstances when the fact that previously agreed-upon procedures have not been performed or have been modified is important to the intended users consideration of the agreed-upon procedures and findings. For example, this may be the case when the procedures are set out in law or regulation. In such circumstances, the practitioner may identify, in the AUP report, the procedures agreed in the original terms of the engagement which could not be performed or modified, and why that has arisen.

A57 The practitioner may refer to the date when the agreed-upon procedures were agreed in the terms of the engagement.

The AUP Report

Application and other explanatory material – Reference to practitioner's expert

A58 In some circumstances, law or regulation may require a reference, in the agreed-upon procedures report, to a practitioner's expert who performed any of the agree-upon procedures. For example, such reference may be required for the purposes of transparency in the public sector. The practitioner may also consider it appropriate in other circumstances, for example, when referring the practitioner's experts when describing the agreed-upon procedures. Nonetheless, the practitioner has sole responsibility for the findings included in the AUP report, and that responsibility is not reduced by the use of the practitioner's expert. It is important therefore that if the agreed-upon procedures report refers to the practitioner's expert, the report does not imply that the practitioner's responsibility is reduced because of reference to the practitioner's expert.

The AUP Report

Undertaking an Agreed-Upon Procedures Engagement Together with Another Engagement

(Para 34) The AUP report shall be clearly distinguished from other reports on other engagements

A59. A practitioner may be requested to perform other engagements together with the agreed-upon procedures engagement, such as providing recommendations arising from the agreed-upon procedures engagement. Such requests may take the form of one request for the practitioner to perform agreed-upon procedures and make recommendations, and the terms of the various engagements may be set out in a single engagement letter. To avoid misunderstanding, paragraph 34 requires that the agreed-upon procedures report be clearly distinguished from the reports of other engagements. For example, the recommendations may be:

Provided in a separate document from the agreed-upon procedures report; or

Included in a document that contains both the agreed-upon procedures report and recommendations but the recommendations are clearly differentiated from the agreed-upon procedures report, for example, by including the agreed-upon procedures report and the recommendations in separate sections of the document.

The AUP Report

Documentation

(Para 35) The practitioner shall include in the engagement documentation:

- (a) The written terms of the engagement and, if applicable, the agreement of the engaging party as to modifications to the procedures;
- (b) The nature, timing and extent of the agreed-upon procedures performed; and
- (c) The findings resulting from the agreed- upon procedures performed.

The AUP Report

Documentation

A60. Documentation of the nature, timing and extent of the agreed-upon procedures performed may include a record of, for example:

The identifying characteristics of the subject matter(s) on which the agreed-upon procedures are performed. Identifying characteristics will vary depending on the nature of the agreed-upon procedure and the subject matter(s) on which the agreed-upon procedure is performed. For example:

For a procedure on purchase orders, the practitioner may identify the documents selected by their dates and unique purchase order numbers.

For a procedure requiring selection of all items over a specific amount from a given population, the practitioner may record the scope of the procedure and identify the population (for example, all journal entries over a specified amount from the journal register for a specific period, all timesheets for hours recorded over a certain number for specified months or every tenth item on a specific list).

The AUP Report

Documentation

A60. Documentation of the nature, timing and extent of the agreed-upon procedures performed may include a record of, for example:

For a procedure requiring inquiries of specific personnel, the practitioner may record the dates of the inquiries, the names and job designations of the personnel and the specific inquiries made.

For an observation procedure, the practitioner may record the process or matter being observed, the relevant individuals, their respective responsibilities, and where and when the observation was carried out.

Who performed the agreed-upon procedures and the date such procedures were performed.

Who reviewed the agreed-upon procedures performed, and the date and extent of such review.

The AUP Report

Illustration of AUP Reports

ISRS 4400 (Revised) — Agreed-Upon Procedures Engagements

Appendix 2 (Ref. Para. A51)

Illustrations of Agreed-Upon Procedures Reports

Illustration 1

For purposes of this illustrative agreed-upon procedures report, the following circumstances are assumed:

- The engaging party is the addressee and the only intended user. The engaging party is not the responsible party. For example, the regulator is the engaging party and intended user, and the entity overseen by the regulator is the responsible party.
- No exceptions were found.
- The practitioner did not engage a practitioner’s expert to perform any of the agreed-upon procedures.
- There is no restriction on the use or distribution of the report.
- There are no independence requirements with which the practitioner is required to comply.
- A quantitative threshold of \$100 for reporting exceptions in Procedure 3 has been agreed with the engaging party.

AGREED-UPON PROCEDURES REPORT ON PROCUREMENT OF [XYZ] PRODUCTS
To [Addressee]

Purpose of this Agreed-Upon Procedures Report

Our report is solely for the purpose of assisting [Engaging Party] in determining whether its procurement of [xyz] products is compliant with its procurement policies and may not be suitable for another purpose.

Responsibilities of the Engaging Party and the Responsible Party

[Engaging Party] has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

[Responsible Party], as identified by [Engaging Party], is responsible for the subject matter on which the agreed-upon procedures are performed.

Practitioner’s Responsibilities

We have conducted the agreed-upon procedures engagement in accordance with the International Standard on Related Services (ISRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with [Engaging Party], and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion.

The AUP Report

ISRS 4400 (Revised) — Agreed-Upon Procedures Engagements

Had we performed additional procedures, other matters might have come to our attention that would have been reported.

Professional Ethics and Quality Control

We have complied with the ethical requirements in [describe the relevant ethical requirements]. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

Our firm applies International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The AUP Report

Procedures and Findings

We have performed the procedures described below, which were agreed upon with [Engaging Party], on the procurement of [xyz] products.

| | Procedures | Findings |
|---|---|--|
| 1 | Obtain from management of [Responsible Party] a listing of all contracts signed between [January 1, 20X1] and [December 31, 20X1] for [xyz] products ("listing") and identify all contracts valued at over \$25,000. | <p>We obtained from management a listing of all contracts for [xyz] products which were signed between [January 1, 20X1] and [December 31, 20X1].</p> <p>Of the 125 contracts on the listing, we identified 37 contracts valued at over \$25,000.</p> |
| 2 | For each identified contract valued at over \$25,000 on the listing, compare the contract to the records of bidding and determine whether the contract was subject to bidding by at least 3 contractors from [Responsible Party]'s "Pre-qualified Contractors List." | <p>We inspected the records of bidding related to the 37 contracts valued at over \$25,000. We found that all of the 37 contracts were subject to bidding by at least 3 contractors from the [Responsible Party]'s "Pre-qualified Contractors List."</p> |
| 3 | For each identified contract valued at over \$25,000 on the listing, compare the amount payable per the signed contract to the amount ultimately paid by [Responsible Party] to the contractor and determine whether the amount ultimately paid is within \$100 of the agreed amount in the contract. | <p>We obtained the signed contracts for the 37 contracts valued at over \$25,000 on the listing and compared the amounts payable in the contracts to the amounts ultimately paid by [Responsible Party] to the contractor.</p> <p>We found that the amounts ultimately paid were within \$100 of the agreed amounts in all of the 37 contracts with no exceptions noted.</p> |

[Practitioner's signature]

[Date of practitioner's report]

[Practitioner's address]

Other services to provide to Business Visa holders

Other services

Accounting services

Monthly bookkeeping and accounting services;

Financial reporting

Annual Financial Statements (AFS) – compilations

Reviews of AFS

Payroll services

Monthly payroll

Tax compliance services

Secretarial services

Other services

Registration/s with CIPC;

Statutory registrations with SARS – Income tax, Employees’ tax, VAT;

Labour department registration – UIF, COIDA

References

1. *Immigration Act 13 of 2002*;
2. *Immigration Act 2002, Immigration Regulations*;
3. IFAC, *International Standard on Related Services 4400 (Revised)*, available at <https://www.iaasb.org/publications/international-standard-related-services-isrs-4400-revised>

**Thank you for your
participation**