**VOLUNTEER ENGAGEMENT**

This document is completed by the authorized representative of the NPO and presented to the accountant. The accountant can rely on the representation made by the representative unless the accountants becomes aware of information that indicates otherwise in which case further information must be obtained prior to finalizing the engagement. This engagement is subject to the IFAC Code of Ethics and engagement standards including: ISRE 2400, IRSR 4400, ISRS 4410 and the SAIBA framework for accounting officer engagements.

|  |  |  |  |
| --- | --- | --- | --- |
| **ACCOUNTANT** | | | |
| The following person is appointed to act as my accountant/accounting officer/tax practitioner and do every thing necessary to help me become compliant with the NPO Act and Tax laws | | | |
| **Name** |  | | |
| **Surname** |  | | |
| **Cell phone** |  | | |
| **Email** |  | | |
| **Physical address** |  | | |
| **SAIBA designation** |  | | |
| **SAIBA Number** |  | | |
| **SAIT designation** |  | | |
| **SAIT number** |  | | |
| Authorization | | | |
| **Name of NPO representative** |  | | |
| **Signature** |  |  | |
| **Date** |  |  | |
|  |  |  | |
| **NPO** | | | |
| Underlying assumptions to the engagement explained to the NPO organisations:  The following details are provided by the authorized representative of the NPO organisation. It details the organisations management, organisation, operating and accounting details. This information may be used to prepare the financial statements, narrative report and accounting officer report in terms of the NPO Act. This information is drafted based on the assumption that the NPO is a basic/start up NPO with little or no accounting transactions, revenue, expenses, assets and liabilities. If the NPO is described by management as of medium size, complex or subject to donor restrictions then a separate and more in-depth engagement should be considered by the accountant. Such complex engagement would require a different set of accounting standards and confirmations that is presented in this document. The purpose of this document is to guide accountants in helping basic/start up NPO get compliant with the NPO Act. A brief and straight forward engagement is foreseen. The accountant is not expected to provide volunteer services to facilitate complex issues. Volunteer services are meant for the basic and start-up type of NPO. | | | |
| **Name of the organisation** |  | | |
| **NPO registration number** |  | | |
| **Telephone** |  | | |
| **Cell phone** |  | | |
| **Email** |  | | |
| **Physical address** |  | | |
| **Postal address** |  | | |
| **Is this a basic / start-up NPO with little or no accounting transactions** | Yes / No |  | |
| **Date of financial year end** |  | | |
| **Explain the NPO’s main and ancillary objectives** |  | | |
| **Explain the NPOs organisational structures and mechanisms for its governance** |  | | |
| **Major achievements during the year** | Activities | How beneficiaries benefited | |
| **Types and number of meetings held during the year** | AGM  Yes/ No  Nr  Date | Board  Y / N  Nr  Date | Special  Y / N  Nr  Date  Other  Y / N  Nr  Date |
| **Did you make changes to the constitution during the year?** | Yes / No | If yes give copy of resolution and changed constitution | |
| **Does the NPO have a banking account?** | Yes / No |  | |
| **Name of Bank** |  | | |
| **Bank account number** |  | | |
| **Date when organisation was established** |  | | |
| **Organisation’s physical area of operation** |  | | |
| **Sector in which organisation operates** |  | | |
| **Is the organisation affiliated to any other body or structure?** | Yes / No |  | |
| **What type of organisation are you?** | NPO / Association / NPC / Trust / Other - explain | | |
| **CURRENT NPO OFFICE BEARERS REGISTERED WITH NPO** | | | |
| **Portfolio in NPO** |  |  | |
| **Name(s)** |  |  | |
| **Surname** |  |  | |
| **Address: Business** |  |  | |
| **Address: Residential** |  |  | |
| **ID Number** |  |  | |
| **Telephone** |  |  | |
| **Email** |  |  | |
| **Capacity in organisation** |  |  | |
|  |  |  | |
| **Portfolio in NPO** |  |  | |
| **Name(s)** |  |  | |
| **Surname** |  |  | |
| **Address: Business** |  |  | |
| **Address: Residential** |  |  | |
| **ID Number** |  |  | |
| **Telephone** |  |  | |
| **Email** |  |  | |
| **Capacity in organisation** |  |  | |
|  |  |  | |
| **Portfolio in NPO** |  |  | |
| **Name(s)** |  |  | |
| **Surname** |  |  | |
| **Address: Business** |  |  | |
| **Address: Residential** |  |  | |
| **ID Number** |  |  | |
| **Telephone** |  |  | |
| **Email** |  |  | |
| **Capacity in organisation** |  |  | |
|  |  |  | |
| **Portfolio in NPO** |  |  | |
| **Name(s)** |  |  | |
| **Surname** |  |  | |
| **Address: Business** |  |  | |
| **Address: Residential** |  |  | |
| **ID Number** |  |  | |
| **Telephone** |  |  | |
| **Email** |  |  | |
| **Capacity in organisation** |  |  | |
|  |  |  | |
| **Additional names if relevant** | | | |
| **INTERVIEW QUESTIONS** | | | |
| **Did you keep accounting records as per section 17(1)(a) of the NPO Act?** | Yes / No | Detail | |
| **Did you prepare financial statements for your NPO as per section 17(1)(b)?** | Yes / No | Detail | |
| **When was the last year that financial statements was prepared ?** |  | Detail | |
| **Who prepared this for you?**  **Name**  **Telephone**  **Cell phone**  **Email** |  | Detail | |
| **Have you appointed an accounting officer?**  **Name**  **Telephone**  **Cell phone**  **Email** |  | Detail | |
| **Has your NPO kept its books of account, supporting vouchers, membership records and financial records and documents as per section 17(3) of the NPO Act?** | Yes / No | Detail | |
| **Why do you want financial statements compiled?** |  | | |
| **Do you allow me to do anything required and access all information to help you prepare financial statements?** | Yes / No | Detail | |
| **Give the names of your staff members and their roles:** |  | | |
| **Is your NPO dormant ?** | Yes / No |  | |
| **Is your NPO insolvent ?** | Yes / No |  | |
| **Does your NPO own assets Provide full details:**  **Name**  **Type**  **Location**  **Purchase price**  **Purchase date**  **If sold/lost:**  **Selling price**  **Selling date**  **Name**  **Type**  **Location**  **Purchase price**  **Purchase date**  **If sold/lost:**  **Selling price**  **Selling date**  **Name**  **Type**  **Location**  **Purchase price**  **Purchase date If sold/lost:**  **Selling price**  **Selling date** | Yes / No |  | |
| **Does your NPO have any liabilities? Provide full details:**  **Name**  **Type**  **Location**  **Amount outstanding at financial year end dated: 2013/………/……….**  **2014/………/……….**  **2015/……. /……….**  **Date incurred**  **Name**  **Type**  **Location**  **Amount outstanding at financial year end dated: 2013/………/……….**  **2014/………/……….**  **2015/……. /……….**  **Date incurred**  **Name**  **Type**  **Location**  **Amount outstanding at financial year end dated: 2013/………/……….**  **2014/………/……….**  **2015/……. /……….**  **Date incurred** | Yes / No |  | |
| **Provide a list of debtors at financial year end:**  **2013/………/……….**  **2014/………/……….**  **2015/……../……….** |  | | |
| **Provide a list of creditors at financial year end:**  **2013/………/……….**  **2014/………/……….**  **2015/……../……….** |  | | |
| **Is your NPO faced by pending or threatened litigation** | Yes / No |  | |
| **Do you want us to use the modified cash basis of accounting to help you prepare your financial statements?** | Yes / No |  | |
| **Can we compile the financial statements only for the use by the management of the NPO?** | Yes / No |  | |
| **Is there any conflict of interest between your NPO and our accounting firm?** | Yes / No |  | |
| **Do you have someone that does your bookkeeping?**  **Name and contact details** | Yes / No |  | |
| **What is the name and contact details of your current accountant/accounting officer/tax practitioner?** |  |  | |
| **Are there any person or company other than the DSD that you want to give your financial statements?** | Yes / No | If yes give their names and reasons: | |
| **What type of organisation is your NPO?** | NPC / NPO / Trust / Other | Explain | |
| **Is their any law that require that you prepare financial statements in terms of IFRS or IFRS for SME?** | Yes / No | Explain | |
| **Is your revenue subject to any restrictions by donors or others?** |  |  | |
| **Is your assets subject to any restrictions by donors or others?** |  |  | |
| **DETAILS OF REVENUE AND EXPENSES** | | | |
|  | 2013 / …. / …… | 2014 / …. / …… | 2015 / …. / …… |
| REVENUE / CASH RECEIVED |  |  |  |
| Donations |  |  |  |
| Other: |  |  |  |
| Other: |  |  |  |
| Other: |  |  |  |
|  |  |  |  |
| EXPENSES / CASH PAID |  |  |  |
| Accounting |  |  |  |
| Adverts |  |  |  |
| Attendance fees |  |  |  |
| Insurance |  |  | |
| Legal |  |  |  |
| License fees |  |  | |
| Printing |  |  |  |
| Rent: Equipment |  |  |  |
| Rent: Office |  |  |  |
| Salaries |  |  |  |
| Stationary |  |  |  |
| Telephone / Cell |  |  |  |
| Travel |  |  |  |
| Other |  |  | |
|  |  |  | |
|  |  |  | |
|  |  |  | |
|  |  |  | |
|  |  |  | |
| **DECLARATION BY PERSON SUBMITTING THIS APPLICATION** | | | |
| I, the undersigned, declare that I am duly authorised by my organisation to complete and submit this form and that the information contained in this form is to the best of my knowledge true and correct. | | | |
| Full Name(s) and surname |  |  | |
| Signature(s) |  |  | |
| Capacity |  |  | |
| Date |  |  | |
| Notes | | | |
| **PERMISSION TO OPEN OR MOVE MY BANK ACCOUNT** | | | |
| I, the undersigned, declare that I am duly authorised to give permission and hereby give permission that this document may be delivered to FNB at nonprofit@fnb.co.za for the purpose of using the information to move my bank account to FNB and/or open a bank account with FNB. I include relevant FICA documents in this document | | | |
| FICA documents: | Constitution  Proof of address  Copy of ID  Special power | Yes / No  Yes / No  Yes / No  Yes / No | |
| Full Name(s) and surname |  |  | |
| Signature(s) |  |  | |
| Capacity |  |  | |
| Date |  | | |
|  |  |  | |
| Notes | | | |

**ENGAGEMENT LETTER**

The following letter is for use as a guide and will need to be varied according to individual requirements and circumstances, as determined by the accounting officer.

**NAME OF ACCOUNTANT AND ACCOUNTING OFFICER:**

**NAME OF TAX PRACTITONER:**

**ADRESS:**

**CONTACT DETAIL:**

For attention

The Office Bearers of (name of entity) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address:

Contact detail:

Dear ……………………………………………………………………. (Name of authorised representative):

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide:

1. On the basis of information that you will provide, we will assist you in the preparation and presentation of the following:
   1. Financial statements for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(name of entity): the balance sheet at year(s) ended: \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_and the income statement for the year(s) then ended.
   2. Narrative report for the year(s) ended: \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_
2. Based on the work as performed under point 1 we will also issue the following reports:
   1. Compilation report(s) for the year(s) ended: \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_
   2. We will perform an accounting officer engagement as required by section 17(2) and 18(4) of the Non-Profit Organisation Act, 1997 for the year(s) ended: \_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_
   3. Compile a written report to the DSD Directorate in terms of the NPO Act and state whether the:
      1. Financial statements of the organisation are consistent with its accounting records
      2. Accounting policies of the organisation are appropriate and have been appropriately applied in the preparation of the financial statements
      3. NPO has complied with the provisions of the NPO Act and of its constitution, which relate to financial matters.

*Compilation engagement*

We will compile the financial statements as required by section 17(1)(b) of the NPO Act, in accordance with the International Standard on Related Services: Compilation Engagements (ISRS 4410), and on the historical cost basis using the modified cash basis of accounting as prescribed by you.

Under this basis, revenues and the related assets are recognized when received rather than when earned and expenses are recognized when paid rather than when obligation is incurred. The modified cash basis of accounting differs from general purpose financial reporting standards such as IFRS or IFRS for SME primarily because the Organization has not recognized contributions and program service fees receivable; and accounts payable to vendors, and their related effects on the change in net assets; no provisions are made other than depreciation; depreciation are provided on a straight line bases and without considering useful life; any restrictions placed on revenue is not recognised in the financial statements. These financial statements will not include explanatory notes, other than a note describing the basis of accounting as set out in this engagement letter.

The purpose for which the financial statements will be used is to provide full-year financial information showing the entity’s financial position at the financial reporting date of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and financial performance for the year then ended. The financial statements will be solely for the use by management/office bearers use, and will not be distributed to other parties.

*Accounting Officer engagement*

We are required to determined whether the financial statements of the organisation are consistent with its accounting records and whether the organisation has complied with the provisions of the NPO Act and of its constitution which relate to financial matters; and will do so by adopting such procedures and conducting such enquiries in relation to the accounting records, accounting system, the NPO Act and the NPO constitution as we agreed with you and considered necessary in the circumstances.

We are also required to review the accounting policies of the organisation are appropriate and have been appropriately applied in the preparation of the financial statements; and make a statement on whether we consider that they are appropriate to the NPO.

We are also required to report any financial contraventions to the NPO Directorate. If we become aware of any instance in which the organisation has failed to comply with the financial provisions of the NPO Act or its constitution, we must notify the NPO Directorate of the occurrence, within one month after becoming aware of it, and in writing with sufficient detail to describe the nature of the noncompliance. The duty imposed on us in terms of the NPO Act supersedes the duty of confidentiality owed to your organisation by us.

We will also include any such contraventions in our accounting officer report issued to the NPO.

*Our Responsibilities.*

A compilation engagement involves applying expertise in accounting and financial reporting to assist you in the preparation and presentation of financial information. Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provide to us for the compilation engagement, or otherwise to gather evidence to express an audit opinion or a review conclusion. Accordingly, we will not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the basis of accounting you have specified, as described above. We will perform the compilation engagement in accordance with the International Standard on Related Services (ISRS) 4410 (Revised), Compilation Engagements. ISRS 4410 (Revised) requires that, in undertaking this engagement, we comply with relevant ethical requirements, including principles of integrity, objectivity, professional competence and due care. For that purpose, we are required to comply with the International Ethics Standards Board for Professional Accountants‟ Code of Ethics for Professional Accountants (IESBA Code).

We have adopted the SAIBA Engagement Framework for Accounting Officer Engagements for NPOs to assist us in performing accounting officer engagements. This Framework requires that we plan and perform the accounting officer engagement in a manner that will enable us to assess whether a positive or negative affirmation should be made in terms of underlying statutory requirements. An accounting officer engagement is primarily limited to inquiries of company personnel and thus do not provide any form of assurance. An example accounting officer engagement report/compilation report is available from our office.

An accounting officer engagement differs significantly from an audit or review of financial statements, in which the auditor or independent reviewer provides assurance that the financial statements, taken as a whole, are free of material misstatement.

An accounting officer engagement does not contemplate obtaining an understanding of the entity’s internal control; assessing fraud risk; tests of accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled cheques or bank images); and other procedures ordinarily performed in an audit.

Accordingly, an accounting officer engagement does not provide assurance that we will become aware of all significant matters that would be disclosed in an audit. Therefore, an accounting officer engagement provides no assurance related to financial statements and whether they provide a true and fair view.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform the appropriate level of management of any material errors, and of any evidence or information that comes to our attention during the performance of our accounting officer engagement procedures that fraud may have occurred.

In addition, we will report to you any evidence or information that comes to our attention during the performance of our accounting officer engagement procedures regarding illegal acts that may have occurred, unless they are clearly inconsequential. As we discussed with you, it is our understanding that the accountants or other professionals that prepared or reported on your \_\_\_\_\_\_\_\_\_ financial statements is unaware of a matter that would make them recall any report that they might have issued on your financial statements.

Furthermore, we understand that we are authorized to communicate with the predecessor accountant or professional to discuss matters relevant to the current accounting officer engagement and to inspect working papers that may facilitate the performance of the current engagement.

If during our current engagement, matters come to our attention that affect either the \_\_\_\_\_\_\_\_ financial statements or the accounting officer engagement report on those statements, we will communicate such matters to the predecessor accountant. This engagement letter authorizes us to perform an accounting officer engagement for your NPO. Any other services that you may request from us will be subject to separate engagement letters.

We may, if you request also assist you with setting accounting systems, bookkeeping, preparing financial statements and submitting annual narrative reports to the NPO Directorate. However this does not form part of our primary accounting officer duties.

*Your Responsibilities.*

The compilation engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to assist you in the preparation and presentation of the financial statements in accordance with the financial reporting framework you have adopted for the financial statements. Accordingly, you have the following overall responsibilities that are fundamental to our undertaking the compilation engagement in accordance with ISRS 4410 (Revised):

1. Responsibility for the financial statements and the preparation and presentation thereof in accordance with a financial reporting framework that is acceptable in view of the intended use of the financial statements and the intended users.
2. Responsibility for the accuracy and completeness of the records, documents, explanations and other information you provide to us for the purpose of compiling the financial statements.
3. Responsibility for the judgments needed in the preparation and presentation of the financial statements, including those for which we may provide assistance in the course of the compilation engagement.
4. Accepting responsibility for the results of the services; and
5. Establishing and maintaining internal controls, including monitoring ongoing activities.

*Our Reports.*

As part of our engagement, we will issue our reports attached to the financial statements compiled by us, which will describe the financial statements, and the work we performed for this engagement. The report will also note that the use of the financial statements is restricted to the purpose set out in this engagement letter, and that use and distribution of our report provided for the compilation engagement is restricted to you, as the management of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(name of entity).

If, for any reason, we are unable to complete our compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

*Access and reports to regulatory authorities*

Accounting officers may be required to submit information related to your business and any related financial information to relevant statutory authorities that are empowered by law or regulation to request this information. In some instances we are not allowed to inform you should we receive such a request. By accepting this engagement letter you authorize us to share your business detail and related financial information with these authorities. We may also be required to provide access to our working papers or your client documentation to our professional membership body.

*Use and distribution*

A compilation report is issued to the office bearers of the NPO, and an accounting officer report is issued to the NPO. Using the report in any other circumstances may not be appropriate. If you need a copy of our report then you may request a copy from our offices. You are not allowed to reproduce or alter our reports.

*Access to working papers*

Any document produced, altered or originated by us remains our property and will not be shared with any party. You may on request obtain access to our working papers on our premises. Any costs will be for your own account and access is determined in terms of the Promotion of Access to Information Act, 2000.

*Dispute resolution*

Any dispute that may arise between our firm or any staff member and the NPO or management will be subject to our Dispute Resolution Policy. Any matter must be referred to our firm to be resolved. If any matter remains unresolved we may refer the matter to our professional body to mediate the issue.

*Indemnity and limitation of liability*

You hereby agree to indemnify, defend (by counsel retained and instructed by me), and hold harmless our firm and its partners, agents, or employees, from and against any and all losses, costs (including legal fees), damages, expenses, claims, demands, or liabilities arising out of or in consequence of:

* The breach by your company, or its directors, officers, agents, or employees, of any of the covenants made by your company herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, my report or the financial statements in reference to which the report is issued, or any other work product made available to you by my firm; and
* The services performed by our firm pursuant to this engagement, unless, and to the extent that, such losses, costs, damages, and expenses are found by a court of competent jurisdiction to have been due to the negligence of our firm. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your company. Our liability in terms of this engagement is limited, in accordance with all applicable law, to the fees charged by us for the engagement.

*Fees*

We provide our assistance on a volunteer basis as determined by the agreement between the Department of Social Development (DSD), Southern African Institute for Business Accountants (SAIBA) and South African Institute for Tax Practitioners (SAIT). In terms of this agreement we allocate services to the total value of R10 000 to help the NPO sector get compliant with filing annual financial statements, narrative reports and accounting officer reports to the DSD Directorate.

We will agree with you in writing the value of volunteer services we will allocate to your NPO. Any services or time spent beyond the free volunteer amount will also be agreed with you prior to performing the service. Such fees will be based on the number of hours required by the staff assigned to complete the engagement.

In accordance with our recent discussion, we believe that the engagement fee to get you compliant with the section 17 of the NPO Act will not incur a fee. However, if we encounter unexpected circumstances that require us to devote more staff hours to the engagement than estimated, we will discuss the matter with you.

We look forward to a continued relationship with your NPO, and we are available to discuss the contents of this letter or other professional services you may desire.

If the foregoing is in accordance with your understanding, please sign the copy of this letter in the space provided and return it to us.

Sincerely,

………………………………….

Accountant

BAP(SA)

Member number \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our engagement to compile the financial statements described herein, and our respective responsibilities.

**AGREEMENT**:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of entity)

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  |  |
| (Signature of responsible Office-Bearer) |  |  | (Date) |

**REPRESENTATION LETTER**

The following letter is for use as a guide and will need to be varied according to individual requirements and circumstances, as determined by the office bearers.

**NAME OF NPO:**

**NAME OF REPRESENTATIVE OFFICE BEARER:**

**ADRESS:**

**CONTACT DETAIL:**

For attention

The accountant/accounting officer\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address:

Contact detail:

[Date [No earlier than the date of the Practitioners Report]]

We are providing this letter in connection with your review of the balance sheet and related statements of income, retained earnings, and cash flow of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as of year end \_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_

then ended for the purpose of compilation and accounting officer engagements, nothing has come to your attention that causes us to believe that the financial statements are not presented fairly, in all material respects in accordance with the **modified cash basis of accounting**.

We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with **modified cash basis of accounting**.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person using the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of the years ended \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_, the following representations made to you during your work:

1. The financial statements referred to above are fairly presented in conformity with **modified cash basis of accounting**.
2. We have made available to you all, if any
   1. Financial records and related data.
   2. Minutes of the meetings of shareholders, directors, and committees of directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
4. We acknowledge our responsibility to prevent and detect fraud.
5. We have no knowledge of any fraud or suspected fraud affecting the entity involving management or others where the fraud could have a material effect on the financial statements, including any communications received from employees, former employees or others.
6. We have no plans or intentions that may materially affect the carrying amounts or classification of assets and liabilities.
7. There are no material losses (such as from obsolete inventory or purchase or sales commitments) that have not been properly accrued or disclosed in the financial statements.
8. There are no:
   1. Violations or possible violations of laws or regulations, whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency
   2. Un-asserted claims or assessments that our lawyer has advised us are probable of assertion that must be disclosed in accordance with **modified cash basis of accounting**.
   3. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by **modified cash basis of accounting.**
9. The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as disclosed to you and reported in the financial statements.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
11. The following have been properly recorded or disclosed in the financial statements:
    1. Related-party transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
    2. Guarantees, whether written or oral, under which the company is contingently liable.
    3. Significant estimates that are required to be disclosed in accordance with the **modified cash basis of accounting.**

We are in agreement representations with the adjusting journal entries you have recommended, and they have been posted to the company’s accounts. [if applicable]

To the best of our knowledge and belief, no events have occurred subsequent to the balance-sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

We have responded fully and truthfully to all inquiries made to us by you during your review.

(Signature of representative office bearer)

Date

**SPECIAL POWER OF ATTORNEY**

**Whom it may concern**

I, the undersigned\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with

ID:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as the

duly authorised and representative office bearer of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of NPO)

with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (address)

do hereby appoint \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with

ID \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and as a

member of the **Southern African Institute for Business Accountants (SAIBA)**

in his/her capacity as my accountant and accounting officer for the purposes

of the NPO Act, my duly authorised representative and nominee and with

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (address)

to be my lawful representative, with the power and authority:

1. To in my name and on my behalf to make any enquiries, complete, sign, take in possession, transact, submit any documents related to obtaining my bank statements for the purpose of submitting my compliance documents to the NPO Directorate, and
2. To concur in doing any of the acts and things hereinbefore mentioned in conjunction with any other person or persons having an interest therein.
3. To submit my narrative report and report of accounting officer to the DSD Directorate and to engage with the DSD iro of my compliance requirements in terms of the Act.

I hereby ratify and agree to ratify everything, which the representative under this power of attorney shall do or purport to do by virtue of this power of attorney.

Signed at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ on this \_\_\_\_\_\_\_\_\_ day of\_\_\_\_\_\_\_\_\_\_\_\_

20 \_\_\_\_, in the presence of the undersigned witnesses.

Signature:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

WITNESSES: 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Signature of witnesses)

2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Signature of witnesses)

**EXTRACT FROM THE MINUTES OF MEETING BETWEEN THE OFFICE BEARERS OF** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

HELD ON \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

AT \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

FROM \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_TO \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attendance:

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (authorized representative)

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Agenda

1. Welcome
2. FNB bank account
3. Appointment of accountant and accounting officer

Minutes - resolution

1. The authorized representative with name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and ID \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of NPO) is hereby authorized and mandated to open a FNB bank account and do whatever is necessary and sign all documents for this purpose. The authorized representative is also mandated and nominated to sign and issue a special power of attorney to allow the accountant/accounting officer to perform this task on his behalf.
2. The authorized representative with name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and ID \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (name of NPO) is hereby authorized and mandated to appoint an accountant/accounting officer/tax practitioner to help the NPO get compliant with the NPO Act requirements and tax affairs.

Duly approved and signed on this date \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Full name of office bearers \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_