|  |
| --- |
| **APPLICATION FORM FC001**  **APPLICATION FOR APPROVAL OF AUDITOR(S) FOR THE HOLDING COMPANY OF A FINANCIAL CONGLOMERATE** |

|  |
| --- |
| **Purpose of this document**  This application form needs to be completed when applying for approval of auditor(s) of the holding company of a financial conglomerate in terms of the Prudential Standard FC03 - Auditor requirements for holding companies of financial conglomerates (Prudential Standard FC03) issued in terms of section 164 read with sections 105 and 108 of the Financial Sector Regulation Act No. 9 of 2017 (FSR Act). |

1. **Company information**
   1. **This part of the application relates to the holding company of a financial conglomerate.**
   2. **Provide the following details for this application**

|  |  |
| --- | --- |
| **Name of financial institution:** |  |
| **Registration number:** |  |
| **Other registration numbers (e.g. NCR, FSP):** |  |
| **Physical address:** |  |
| **Postal address:** |  |
| **Website:** |  |

1. **Contact and basic information for correspondence**
   1. **Contact details of the person responsible for correspondence related to this form**

|  |  |
| --- | --- |
| **Title** |  |
| **First name(s)** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number(s)** |  |
| **Email address** |  |

* 1. **Details of professional advisers**

#### Have you used third-party professional advisers to assist with completing this form?

**No** 🡺 Continue to section 2.3

**Yes** 🡺 Complete the remainder of this section

#### Provide the name and contact details of the third-party professional adviser(s) used (e.g. the consultants, auditors, actuaries and/or lawyers used in completing this form). If more than one professional adviser was consulted, such information should be included in an attachment accompanying this form.

|  |  |
| --- | --- |
| **Name of firm** |  |
| **Title** |  |
| **First names** |  |
| **Surname** |  |
| **Position** |  |
| **Business address** |  |
| **Contact number(s)** |  |
| **Email address** |  |

* 1. **Other information**

#### Is there any additional information that is not requested elsewhere in this form that is relevant for the Prudential Authority to assess this application?

**No** 🡺 Continue to section 3

**Yes** 🡺 Complete question 2.3.2

#### Provide a summary or list of the additional information, including the reasons for providing this additional information and attach to this form.

|  |
| --- |
|  |

1. **Specific information for applicant**

Part A:Information required by the Prudential Authority in considering the approval of the appointment of an audit firm for the holding company of a financial conglomerate:

#### **Administrative and profile information of the audit firm to be appointed by the financial conglomerate:**

|  |  |
| --- | --- |
| **Name of audit firm** |  |
| **Business address** |  |
| **Contact number(s)** |  |
| **Email address** |  |

#### Active engagements[[1]](#footnote-2): Please list all your firm’s engagements regarding the entities within the financial conglomerate that are active at the time of this application:

1. Statutory audit of annual financial statements:

| **Name of entity** | **Year of appointment** |
| --- | --- |
|  |  |
|  |  |

1. Non-audit services – audit-related (e.g. required by a regulator/law that the services be performed by the appointed statutory auditor) and permitted services (e.g. attest and assurance services such as comfort and consent letters in securities offerings):

| **Name of entity** | **Type of engagement** | **Year of appointment** | **Total value of contract (R)** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |

1. Other (e.g. consulting work):

| **Name of entity** | **Type of engagement** | **Year of appointment** | **Total value of contract (R)** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |

#### Past engagements: Please list all your firm’s engagements regarding the entities within the financial conglomerate that were completed during the last four years:

1. Statutory audit of annual financial statements:

| **Name of entity** | **Year of appointment** |
| --- | --- |
|  |  |
|  |  |

1. Non-audit services – audit-related (e.g. required by a regulator/law that the services be performed by the appointed statutory auditor) and permitted services (e.g. attest and assurance services such as comfort and consent letters in securities offerings)

| **Name of entity** | **Type of engagement** | **Year of appointment** | **Total value of contract (R)** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |

1. Other (e.g. consulting work):

| **Name of entity** | **Type of engagement** | **Year of appointment** | **Total value of contract (R)** |
| --- | --- | --- | --- |
|  |  |  |  |
|  |  |  |  |

#### **Independence of the audit firm:**

#### Explain the corporate governance processes that are in place within the audit firm that are designed to strengthen independence in fact and appearance:

|  |
| --- |
|  |

#### Are there any reasons why the audit firm might not be considered independent from the financial conglomerate?

**No** 🡺 Continue to question 3.3

**Yes** 🡺 Provide reasons why the audit firm might not be considered independent from the financial conglomerate:

|  |
| --- |
|  |

#### **Professional proficiency of the audit firm:**

#### Are you of the opinion that sufficient and relevant knowledge, skills and disciplines are available in your firm for the audit engagement of the financial conglomerate? Please elaborate, inter alia, on the following elements of professional proficiency:

1. Relevant qualifications of staff that will be involved in the audit of the financial conglomerate:

| **Name and surname** | **Qualifications** |
| --- | --- |
|  |  |
|  |  |

1. Access to technical department:

|  |
| --- |
|  |

1. Adequately specialised training:

|  |
| --- |
|  |

#### **Investigations, lawsuits and disqualification of the audit firm:**

#### Are there any pending or current lawsuits or professional liability suits against the audit firm or against any partners of the audit firm of which the regulators should be aware?

**No** 🡺 Continue to question 3.4.2

**Yes**  🡺 Please provide more details below:

|  |
| --- |
|  |

#### Are there any pending or current investigations by the Independent Regulatory Board for Auditors, the South African Institute of Chartered Accountants or any other professional body against the audit firm or against any partners of the audit firm of which the regulators should be aware?

**No** 🡺 Continue to question 3.4.3

**Yes** 🡺 Please provide more details below:

|  |
| --- |
|  |

#### Has the audit firm been placed on the list of disqualified auditors by the JSE?

**No** 🡺 Continue to question 3.5

**Yes**  🡺 Please attach the relevant documentation from the JSE in this regard.

Part B: Information required by the Prudential Authority in considering the approval of the appointment of the engagement partner[[2]](#footnote-3) for an engagement relating to a financial conglomerate:

#### **Engagement partner’s information, qualifications, and experience:**

|  |  |
| --- | --- |
| **Full name(s) and surname (include any former names)** |  |
| **Contact number(s)** |  |
| **Email address** |  |

#### South African Institute of Chartered Accountant’s membership number:

|  |
| --- |
|  |

#### Independent Regulatory Board for Auditors (IRBA) membership number:

|  |
| --- |
|  |

#### Professional qualifications and year in which they were obtained:

| **Professional qualifications** | **Year obtained** |
| --- | --- |
|  |  |
|  |  |

#### Number of years’ experience within the financial services industry:

|  |
| --- |
|  |

#### **Independence of the engagement partner:**

#### Are you involved in the management or decision-making of the financial conglomerate, or are you associated with a service provider of the financial conglomerate?

**No** 🡺 Continue to question 3.6.3

**Yes**  🡺 Complete question 3.6.2

#### Do you believe that you are independent from the financial conglomerate and that you are able to maintain an objective frame of mind in executing your audit responsibilities?

|  |
| --- |
|  |

#### Do you as the engagement partner have (or intend to have) a direct line of communication and a working relationship with the board of directors and audit committee of the financial conglomerate?

|  |
| --- |
|  |

#### Is there anything known to you that may negatively affect your independence as the engagement partner?

**No** 🡺 Continue to question 3.7

**Yes**  🡺 Please provide more details below:

|  |
| --- |
|  |

#### **Capacity of the engagement partner:**

#### Considering your current client portfolio, do you have the necessary capacity to take on the audit of the financial conglomerate and will you be able to spend enough time at the client to ensure a robust audit?

**No**

**Yes**

#### Please provide a list of your current audit and advisory clients[[3]](#footnote-4):

| **Client** | **Year-end** | **Notes[[4]](#footnote-5)** |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

#### **Professional proficiency of the engagement partner:**

#### Have you been subject to an IRBA inspection (or an inspection or review by an equivalent regulator) within the last 36 months?

**No** 🡺 Continue to question 3.8.3

**Yes**  🡺 Please attach a copy of the inspection or review report and continue to question 3.8.2.

#### Are you, or will you be, able to show how all findings identified in the most recent IRBA inspection report have subsequently been resolved? Please note any outstanding matters in the space below.

**Yes** 🡺 Continue to question 3.8.3

**No** 🡺 Please provide details below:

|  |
| --- |
|  |

#### Please attach a copy of the internal peer review report or a letter confirming the outcome of the review, signed by the firm’s risk department.

#### **Disqualification of the engagement partner:**

#### Are you qualified to act as the auditor, specifically keeping in mind the disqualification criteria covered in section 90(2)(b) and the auditor rotation requirement covered in section 92 of the Companies Act 71 of 2008 (Companies Act) and relevant financial sector laws, as amended?

**Yes** 🡺 Continue to question 3.9.2

**No**  🡺 Please provide more details below:

|  |
| --- |
|  |

#### Are there any pending or current lawsuits or professional liability suits pending against you of which the Prudential Authority should be aware?

**No** 🡺 Continue to question 3.9.3

**Yes**  🡺 Please provide more details below:

|  |
| --- |
|  |

#### Have you ever been a responsible partner engaged by a regulatory authority to perform a special investigation on its behalf that failed to reveal a problem that was subsequently shown to exist?

**No** 🡺 Continue to question 3.9.4

**Yes**  🡺 Please provide more details below:

|  |
| --- |
|  |

#### Has your registration as a Chartered Accountant or Registered Auditor ever been suspended or have you been sanctioned following a disciplinary proceeding instituted by a regulatory authority or professional organization of which you are a member or subject to, for example, the IRBA or SAICA?

**No** 🡺 Continue to question 3.9.5

**Yes**  🡺 Please provide more details below:

|  |
| --- |
|  |

#### For audits of listed entities, has the engagement partner been placed on the list of disqualified auditors by the JSE Limited?

**No** 🡺 Continue to question 3.9.6

**Yes**  🡺 Please attach the relevant documentation from the JSE in this regard and continue to question 3.9.6.

#### Are there any other matters which the PA should be aware of?

**No** 🡺 Continue to section 4

**Yes**  🡺 Please provide details below.

|  |
| --- |
|  |

1. **Attachment checklist**
   1. **Attachments**

Please list any other attachments in the table below. These attachments may be necessary if there was insufficient space to include the information in this application form or if your responses in this application form refer to external documents. Each additional attachment should be listed in a separate row.

| **Attachment number** | **Question number** | **Description** | **Number of pages/sheets** | **Attached** |
| --- | --- | --- | --- | --- |
| Eg, A1 | 2.3.2 | Contact details | 2 |  | |
|  |  |  |  |  | |

1. **Consent and declarations**

To assess the application, the Prudential Authority needs to ensure that the information in the application or notification is accurate and complete, and it may therefore be verified and shared with other regulatory authorities.

### **Consent form**

I, Name and Surname duly authorised by the board of the directors of the holding company of the financial conglomerate, hereby:

1. consent to the Prudential Authority and its duly authorised agent verifying or confirming any information provided in, and/or in support of, this application with any person.
2. authorise any person referred to in paragraph 1 above to furnish information regarding this application to the Prudential Authority and its duly authorised agent.
3. unconditionally indemnify the Prudential Authority, its agent, and any person(s) against any liability that may result from furnishing information regarding this application to the Prudential Authority; and
4. consent to the Prudential Authority sharing information provided in, and/or in support of, this application with a financial sector regulator (as defined in the Financial Sector Regulation Act 9 of 2017), the Independent Regulatory Board for Auditors and the South African Reserve Bank.

|  |  |
| --- | --- |
| **Title** |  |
| **Name** |  |
| **Surname** |  |
| **Position and organisation** |  |
| **Signature** |  |
| **Date of signature** | YYYY/MM/DD |

**Declaration by the Chairperson or Chief Executive Officer**

1. I, Name and Surname the undersigned Chairperson or Chief Executive Officer (CEO) of [Name of holding company] , hereby declare that in accordance with the provisions of (select as applicable):

section 90(1) of the Companies Act, as amended, a resolution was passed at the annual general meeting of the said company on [YYYY/MM/DD] to appoint [Name of firm] of [Address] and [Name of firm] of [Address] as auditor(s) of the said company from [YYYY/MM/DD] .

section 91 of the Companies Act, as amended, a resolution of the board of directors was passed on [YYYY/MM/DD] to appoint [Name of firm] of [Address] and [Name of firm] of [Address] as auditor(s) of the said company from [YYYY/MM/DD] .

1. The following person(s) has/have been nominated to act as engagement partner(s)[[5]](#footnote-6) on the audit of the entity stated above: [Name of engagement partner] .
2. In terms of Prudential Standard FC03, I hereby apply for your approval of the appointment(s) set out in paragraphs 1 and 2.

|  |  |
| --- | --- |
| **Signature**  **Chairperson/ CEO** |  |
| **Date of signature** | YYYY/MM/DD |

**Declaration by the auditor**

1. I [Name of auditor] the undersigned, the designated auditor of [Regulated Institution] certify that, to the best of my knowledge, the information given in answer to the above questions in Part A (if applicable) and Part B is complete and accurate and not untrue or misleading in any respect.
2. I undertake, if I continue to be a person responsible for the audit of the holding company of the financial conglomerate to notify the Prudential Authority of any material changes affecting the completeness or accuracy of the answers to the questions above, inclusive of any disciplinary action against me by not later than 12 days as from the day that such changes come to my attention.

|  |  |
| --- | --- |
| **Name and surname** |  |
| **Name of audit firm or partnership** |  |
| **Signature** |  |
| **Date of signature** | YYYY/MM/DD |

**Permission to request information relevant to my appointment as the engagement partner from the South African Institute of Chartered Accountants and/or the Independent Regulatory Board for Auditors**

I, [Name and Surname] hereby grant permission to the South African Institute of Chartered Accountants and the Independent Regulatory Board for Auditors to disclose information that may be relevant to my appointment as engagement partner of the holding company of a financial conglomerate to the Prudential Authority.

|  |  |
| --- | --- |
| **Name and surname** |  |
| **Name of audit firm or partnership** |  |
| **Signature** |  |
| **Date of signature** | YYYY/MM/DD |

**General comment**

|  |
| --- |
|  |

1. Active engagements are those that are in progress at the time of this application or for which final approval has been obtained. [↑](#footnote-ref-2)
2. ‘Engagement partner’ means the auditor responsible for the effective functioning of all phases in the audit and for exercising his/her professional judgement, based on the results of the audit procedure, to express an opinion on the fair presentation of the financial statements of the regulated institution. [↑](#footnote-ref-3)
3. If space provided is not sufficient, please attach a separate document. [↑](#footnote-ref-4)
4. Please include any relevant notes e.g. expected rotation date. [↑](#footnote-ref-5)
5. ‘Engagement partner’ means the auditor responsible for the effective functioning of all phases in the audit and for exercising his/her professional judgement, based on the results of the audit procedure, to express an opinion on the fair presentation of the financial statements of the regulated institution. [↑](#footnote-ref-6)