

SAAPS 6

JULY 2013



South African Auditing Practice Statement (SAAPS) 6

**External Confirmations from Financial
Institutions**

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SOUTH AFRICAN AUDITING PRACTICE STATEMENT (SAAPS) 6
EXTERNAL CONFIRMATIONS FROM FINANCIAL INSTITUTIONS

(Effective for external confirmation requests issued on or after 1 October 2013)

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This South African Auditing Practice Statement (SAAPS) 6 *External Confirmations from Financial Institutions* provides guidance to registered auditors (auditors) in implementing the requirements of the IAASB's International Standard on Auditing (ISA) 505 *External Confirmations* when obtaining external confirmations from financial institutions.

SAAPS' are developed by the Committee for Auditing Standards and issued by the IRBA to provide guidance to auditors in implementing the IAASB's International Standards on Auditing (ISAs) in the South African context, and to promote audit quality. The SAAPS' do not impose additional requirements on auditors beyond those included in the ISAs nor do they change an auditor's responsibility to comply with the requirements of all ISAs relevant to the audit. An auditor determines whether any SAAPS is relevant to the circumstances of the audit engagement and, if so, obtains an understanding of its content and its application. A registered auditor who does not consider, and apply the guidance included in a relevant SAAPS should be prepared to explain how the requirements in relevant ISAs, addressed by the SAAPS, have been complied with.

An auditor should be aware of, and comply with, any legislation or regulations applicable to the audit in the conduct of the engagement. A court of law, and in the event of an Inspection or Investigation, the IRBA, when considering the adequacy of the work of an auditor, is likely to seek confirmation that, in the performance of the audit work, the auditor has complied, in all material respects, with requirements in the ISAs.

Scope

1. This South African Auditing Practice Statement (SAAPS) provides implementation guidance to a registered auditor (auditor) when using external confirmation procedures to obtain audit evidence, either manually or electronically, from financial institutions that meets the requirements of the International Standard on Auditing (ISA) 505 *External Confirmations*. Implementation of this SAAPS is not a substitute for applying all relevant ISAs.
2. This SAAPS contains:
 - Illustrative procedures that may be performed in conjunction with other procedures to provide sufficient appropriate audit evidence to support the completeness of financial statement account balances (**Appendix A**); and
 - An illustrative external confirmation request (**Appendix B**).

Effective date

3. This SAAPS is effective for external confirmation requests issued on or after 1 October 2013.

Objective

4. The objective of an auditor, when using external confirmation procedures, is to design and perform such procedures, to obtain relevant and reliable audit evidence.

Definitions

5. For purposes of this SAAPS, the following terms have the meanings attributed below:
 - Bill – unconditional order in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time, a sum certain in money to a specified person or his order or to bearer.¹
 - Cheque – a bill drawn on a bank and payable on demand.²
 - Derivative – Derivative contracts such as foreign exchange contracts,

¹ Bills of Exchange Act, No 34 of 1964, section 1

² Bills of Exchange Act, No 34 of 1964, section 1

forward rate agreements, financial futures, interest rate swaps, option contracts, bullion contracts, commodity contracts, swap arrangements (near and far dates), credit derivatives including collateralised debt obligations (CDOs), others, etc.

- External confirmation certificate – completed external confirmation certificate received from financial institution.
- External confirmation request – external confirmation request sent to the financial institution for completion.
- Financial institution – Financial institutions as defined in the Financial Institutions (Protection of Funds) Act, 2001 (Act No. 28 of 2001) and the Financial Services Board Act, 1990 (Act No. 97 of 1990) which includes banks.
- Promissory note – An unconditional promise in writing made by one person to another, signed by the maker, and engaging to pay on demand or at a fixed or determinable future time, a sum certain in money, to a specified person or his order, or to bearer.³
- Securities – are broadly categorised into (i) Debt securities (debentures, bonds, deposits, notes or commercial paper depending on their maturity and certain other characteristics); (ii) Equity securities (e.g. common stocks – “safe custody assets”); (iii) Hybrid securities (e.g. preference shares – combination of characteristics of both debt and equity securities); (iv) etc.

Designing an external confirmation request

6. Having decided to obtain an external confirmation certificate, to obtain relevant and reliable audit evidence, an auditor plans the submission of the requests to the financial institutions including:
 - Determining the date by which the external confirmation certificate is needed;
 - Depending on an auditor’s risk assessment, determining whether the external confirmation certificate is needed on additional information such as trade finance transactions and balances (for example letters of credit, bills etc.);
 - Making arrangements for assembling the necessary information to be included in the external confirmation request including the account

³ Bills of Exchange Act, No 34 of 1964, section 1

number⁴ and company registration number / individual ID number for each legal entity. If an auditor has decided to confirm additional information (e.g. trade finance or derivative and commodity trading transactions and balances) a reference may be needed to a facility account number;

- Establishing that the client authorisation provided to the financial institution/s to permit the financial institution/s to disclose all information requested to an auditor, is valid; and
 - Ascertaining where to send the request.
7. An auditor needs to be aware that financial institutions cannot give information about legal entities that are not covered by an authority provided to disclose information. This means that details will be provided by the financial institution of all accounts and facilities relating to an entity and its accounts listed on the request for an external confirmation certificate, for which there is a current authority. The financial institution is under no obligation to advise an auditor that it holds an account or has other arrangements that have not been listed in the request for information. The financial institution is also not obliged to tell an auditor that it has withheld information about an entity not listed on the confirmation request. An auditor therefore makes enquiries of management and applies his / her understanding of the business to evaluate whether the list of entities and information to be included on all requests to financial institutions is complete (refer paragraphs 14-16).
8. A standardised external confirmation request format is included as **Appendix B: Illustrative External Confirmation Request** and aims to provide illustrative guidance to an auditor when designing an external confirmation request.
9. In order for the information requested from the financial institutions to be available to an auditor when required, it is important that:
- The request be sent to the financial institutions timeously;
 - The request be sent to the appropriate contact at the financial institution; and
 - The necessary authority has been given to the financial institution by the client for each legal entity for which information is requested permitting the financial institution to furnish the information required.
10. The importance of obtaining external confirmation certificates is not only to confirm the financial institution balances and interest received / paid for the

⁴ May include the financial institution's branch code as well as the account number

period under review but for all the “other disclosures” that are requested from the financial institution in the external confirmation request. Many of the “other disclosures” are used by an auditor as corroborative audit evidence to support specific disclosures made by the entity in its financial statements.

11. External confirmation requests from financial institutions generally include confirmation of the following details regarding “other disclosures”:
 - Details of pledged or ceded balances and collateral provided for liabilities;
 - Details of any agreement between the financial institution and the client, limiting the client’s total borrowings;
 - Details of other covenants restricting the client’s ability to borrow or requiring it to adhere to certain prescribed financial ratios;
 - Details of total facilities and date for review thereof;
 - Details of and reasons for securities for the client;
 - The total value of bills held for collection, in safe custody for the entity or as security and how they were encumbered or pledged as security;
 - The total contingent liabilities of the entity in respect of bills receivable, discounted but not due for payment;
 - Details of other direct or contingent liabilities of the entity in respect of forward contracts entered into on its behalf; and
 - Details of other direct or contingent liabilities, including guarantees, acceptances undertaken and derivative positions.

Evaluating the reliability of the external confirmation certificate

12. An auditor is responsible for evaluating whether the external confirmation certificate provides sufficient appropriate audit evidence that is relevant and reliable, or whether additional audit evidence is necessary. In making this determination, an auditor considers the information contained in an external confirmation certificate and compares it to corroborative audit evidence obtained from other audit procedures.
13. Furthermore, an auditor establishes the reliability of the confirmation by ensuring that the response is received from a reliable source and the integrity of the transmission has not been compromised. Where discrepancies exist or an auditor is in doubt as to the reliability of the confirmation, an auditor has a responsibility to inquire about the reasons and consider whether alternative

procedures are necessary (refer paragraph 23).

Completeness of financial institution accounts

14. A financial institution usually includes a disclaimer regarding the completeness of the entity's financial institution accounts on an external confirmation certificate supplied to auditors.
15. An auditor considers performing alternative audit procedures in order to obtain evidence regarding the completeness of the entity's financial institution accounts.
16. The procedures an auditor may perform in order to obtain sufficient appropriate audit evidence to support the completeness of financial institution account balances is a matter of professional judgement based on the specific circumstances of the entity and the risk that the financial institutions account balances may be incomplete. Illustrative procedures that may be performed in conjunction with other audit procedures to provide sufficient appropriate audit evidence to support the completeness of financial statement account balances is included in **Appendix A**.

Use of electronic confirmations

17. The transmission or receipt of electronic confirmations or the use of an electronic confirmation process is recognised in ISA 505⁵ as an acceptable means of obtaining audit evidence.
18. There are situations in which an auditor transmits, or the respondent responds to, a confirmation request other than in a written communication mailed by post or by hand directly between the respondent and an auditor. For example, an auditor may transmit the confirmation request via facsimile or even e-mail using a scanned electronic copy of a document that has been signed by a client physically.
19. The response to a confirmation request may also be facilitated whereby the respondent (financial institution) either facilitates, directly, the retrieval of confirmations from their own secure data transfer facility, or engage the services of a third party service provider to facilitate the information flow between the respondent and an auditor.
20. In both these instances the source of access rights to such securely held information are not acceptable when obtained directly from the audit client. An

⁵ ISA 505, *External Confirmations*, paragraph A12

auditor's direct access to information held by a third party (the confirming party) may be regarded as an acceptable external confirmation when, for example, an auditor is provided by the confirming party with the electronic access codes or information necessary to access a secure website where data that addresses the subject matter of the confirmation is held.

21. Any confirmation response involves risks relating to reliability because proof of the source or origin might be difficult to establish and alterations can be difficult to detect. Such risk exists regardless of whether a response is obtained in paper form, by electronic correspondence, or through some other medium. Confirmation responses received electronically involve additional risks relating to reliability. Accordingly, an auditor assesses the reliability of the information obtained through the electronic confirmation response, taking into account risks that:
 - The confirmation process might not be secure or might not be properly controlled;
 - The information obtained might not be from a reliable source; and
 - The integrity of the transmission might have been compromised.

22. Possible controls an auditor may expect to have been put in place by the third party service provider may include:
 - Physical security of computer equipment including adequate safeguards;
 - Electronic authorisation for access to computer programs and data files;
 - Encryption;
 - Restriction of access to programs and data files;
 - Password control; and
 - Review and monitoring of activity logs.

23. Various means might be used to validate the source of the electronic information and the respondent's knowledge about the requested information, for example:
 - If information is provided via facsimile response, an auditor may verify the source and contents of the facsimile response by directly contacting the intended confirming party (e.g. by a telephone call to the intended confirming party) as well as asking the confirming party to send the original back by post.
 - If information is provided via an e-mail response, an auditor could verify

the source and contents of the e-mail response, such as verifying the e-mail address of the intended confirming party or contacting the intended confirming party by telephone as well as asking the confirming party to send the original back by post.

- If an electronic confirmation process is used, an auditor needs to be satisfied that such a process is secure and properly controlled. An electronic confirmation process might incorporate various techniques for validating the identity of the sender of information in electronic form, for example, through the use of encryption, electronic digital signatures, and procedures to verify web site authenticity. An auditor may verify the process and security controls of a chosen electronic confirmation process with reference to process and security validation reports available / commissioned by the specific third party or respondent. The electronic confirmation is considered to be the original confirmation, i.e. the confirming party does not have to print and send an original back by post.

Public sector perspective

24. The guidance in this SAAPS also applies to external confirmation requests sought in an audit of financial statements in the public sector.

Illustrative procedures to support the completeness of financial statement account balances

25. **Appendix A** contains illustrative procedures that may be performed in conjunction with other procedures to provide sufficient appropriate audit evidence to support the completeness of financial statement account balances.

Illustrative external confirmation request

26. **Appendix B** contains the *Illustrative External Confirmation Request* that consists of nine individual Form Types:
1. Assets;
 2. Liabilities;
 3. Securities;
 4. Contingent Liabilities and Guarantees;
 5. Derivatives;
 6. Bills;

7. Letter of Credit;
 8. Cash Management System; and
 9. Authorised Transactor / Signatories List.
27. An auditor selects only those individual *Form Types* relevant for the entity being audited and sends them to the applicable financial institution for confirmation instead of sending all nine *Form Types* with their external confirmation request. The sections of the external confirmation request that are to be completed by an auditor, or where an auditor has to furnish schedules, have been shaded in **Appendix B**. To assist the financial institutions in furnishing the required information expeditiously, an auditor ensures that these shaded sections are completed, and authorisation letters are attached prior to sending the external confirmation request to the financial institution. Incomplete external confirmation requests may delay the process of obtaining the external confirmations from financial institutions.

APPENDIX A

Examples of possible audit procedures to address the risks of completeness when obtaining external confirmations

An auditor exercises professional judgement based on the specific circumstances of the entity and the risk that the confirmation of the entity's account balances from a financial institution may be incomplete in order to determine those procedures necessary to obtain sufficient appropriate audit evidence to support the completeness of financial institution account balances.

The following are examples of possible audit procedures to address the assessed risk of material misstatement due to the incompleteness of financial institution account balances. These procedures are only examples and, accordingly they may not be the most appropriate nor necessary in each circumstance. Also the order of the procedures provided is not intended to reflect their relative importance.

1. Compare the list of financial institution accounts held by the entity at the end of the current financial year to those held in the immediately preceding financial year. Obtain and confirm reasons for any changes in financial institution accounts;
2. Inspect the minutes of the executive meetings of the entity held during the year under review to determine if any new financial institution accounts were opened or whether any financial institution accounts were closed during the year under review;
3. Inspect the minutes of the executive meetings of the entity held during the year under review to determine if any:
 - agreements / covenants were entered into between the entity and the financial institutions,
 - securities were held for the entity in safe custody and free from any known charge or liens,
 - securities were lodged by the entity in support of liabilities,
 - guarantees, acceptances undertaken on behalf of the entity and derivative positions, and
 - changes were made to the authorised signatories.
4. Inspect significant contracts entered into by the entity and confirm that the contract is transacted through one of the entity's financial institution accounts;
5. Select a sample of inter-account transfers from each of the entity's financial institution account statements, before and after period end, and trace the

relevant receipt or payment to the entity's corresponding financial institution account statements, to determine that the transfers have been recorded in the appropriate financial period; and

6. Obtain representations from management of the entity that all financial institution accounts have been dealt with in the financial statements and that all necessary disclosures arising from the entity's relationship with the financial institution have been disclosed in the financial statements.
7. The following audit procedures may already be performed as audit procedures on other account balances and classes of transactions. The transactions selected may also be traced to specific financial institution account statements in order to meet the objective of obtaining evidence regarding the completeness of financial institution account balances:
 - Accounts Receivable –
 - trace debtors subsequent receipts to deposits into one of the entity's financial institution accounts; and
 - review debtors confirmation letters received for an indication of payments already made and trace these payments to one of the entity's financial institution accounts;
 - Revenue –
 - trace the deposit to the entity's financial institution statement, to ensure that the sample of revenue transactions selected were all deposited into one of the entity's financial institution accounts;
 - Accounts Payable –
 - trace the payments selected to the entity's financial institution statements, to ensure that the creditors payments were made from one of the entity's financial institution accounts;
 - Property, plant and equipment –
 - trace the payments for property, plant and equipment to the entity's financial institution statements, to ensure that the payments were made from one of the entity's financial institution accounts;
 - Other acquisitions of non-current assets (e.g. investments) –
 - trace the payments for other non-current assets to the entity's financial institution statements, to ensure that the payments were made from one of the entity's financial institution

accounts;

- Payments –
 - trace the payments to the entity's financial institution statements, to ensure that they were made from one of the entity's financial institution accounts; or
 - Journal entries –
 - perform audit procedures on journal entries to determine whether any represent adjustments to the financial records following cash receipts or payments into / out of financial institution accounts not recorded in the financial records.
8. Using Computer Assisted Audit Techniques (CAATS), review all sales and purchases records to identify any financial institution account numbers not recognised as those of the entity; or
9. Using CAATS, review all intercompany financial institution account transfers to identify any financial institution account numbers not recognised as those of the entity.

APPENDIX B

Planning the external confirmation request:

Having decided to obtain an external confirmation certificate, to obtain relevant and reliable audit evidence, an auditor plans the submission of the requests to the financial institutions including:

- Determining the date by which the external confirmation certificate is needed;
- Depending on an auditor's risk assessment, determining whether the external confirmation certificate is needed on additional information such as trade finance transactions and balances (for example letters of credit, bills etc.);
- Making arrangements for assembling the necessary information to be included in the external confirmation request including the account number⁶ and company registration number / individual ID number for each legal entity. If an auditor has decided to confirm additional information (e.g. trade finance or derivative and commodity trading transactions and balances) a reference may be needed to a facility account number;
- Establishing that the client authorisation provided to the financial institution/s to permit the financial institution/s to disclose all information requested to an auditor, is valid; and
- Ascertaining where to send the request.

An auditor needs to be aware that financial institutions cannot give information about legal entities that are not covered by an authority provided to disclose information. This means that details will be provided by the financial institution of all accounts and facilities relating to an entity and its accounts listed on the request for an external confirmation certificate, for which there is a current authority.

The financial institution is under no obligation to advise an auditor that it holds an account or has other arrangements that have not been listed in the request for information. The financial institution is also not obliged to tell an auditor that it has withheld information about an entity not listed on the confirmation request. An auditor therefore makes enquiries of management and applies his / her understanding of the business to evaluate whether the list of entities and information to be included on all requests to financial institutions is complete.

Appendix B: is available as an electronic confirmation request form or as a Microsoft Word Template on the IRBA [website](#).

⁶ May include the financial institution's branch code as well as the account number

External confirmation forms

Index of the Form Types Confirmation Requests

To be edited as appropriate and copied on the auditor's letterhead.

(Note: The Form Types selected to be included in the external confirmation request will be based on the auditor's assessment of the risks in relation to relevant financial statement assertions for each individual entity. Form type 9, *Authorised Transactors / Signatory List*, will likely be relevant in most instances.)

Form Type		Form Type Included for Completion
1.	Assets – (Balances Favourable to Client)	"Yes / No"
2.	Liabilities – (Balances Favourable to the Financial Institution)	"Yes / No"
3.	Securities	"Yes / No"
4.	Contingent Liabilities and Guarantees	"Yes / No"
5.	Derivatives	"Yes / No"
6.	Bills	"Yes / No"
7.	Letter of Credit	"Yes / No"
8.	Cash Management Systems	"Yes / No"
9.	Authorised Transactors / Signatories List	"Yes / No"

Auditor’s external confirmation request letter

[To be edited as appropriate and copied on the Auditor’s letterhead]

Letter from auditor to financial institution requesting completion of enclosed certificate Form Types

The Manager

"Enter date"

Dear Sir / Madam

"Enter Client Name"

"[Enter Client Year / Period ended"

"[Enter Client Registration Number]"

For audit purpose, (and in terms of the authority from the client – attached below) kindly complete the enclosed certificate relating to our above client as at the close of business on "[Enter Client Year / Period ended".

Kindly return the enclosed certificate/s, duly completed, together with the relevant information, directly to ourselves. In the event of the information requested not being applicable, please indicate as such in your reply.

We draw your attention to the fact that the completed certificate will form part of the audit evidence to be obtained by us in arriving at the conclusions on which to base our audit opinion on our client’s financial statements. Your co-operation in this regard is appreciated.

Yours faithfully

"Audit Firm Representative Signature"

"Enter Audit Firm Name"

Audit Firm Information <i>[Please note this is not required to be filled in if the information is included in the auditor letterhead]</i>	Audit Recipient Information <i>[Please note this is the audit firm representative sending the request information]</i>
"[Enter Audit Firm Name]"	"[Enter Audit Recipient Name]"
"[Enter Audit Firm Address]"	"[Enter Audit Recipient Contact Details (Tel & Fax)]"
"[Enter Audit Firm Contact Details (Tel & Fax)]"	"[Enter Audit Recipient Email Address]"
"[Enter Audit Firm IRBA Registration Number]"	

[To be edited as appropriate and typed on client letterhead]

Letter from client to financial institution authorising the financial institution to provide information to auditor

The Manager

"Enter date"

Dear Sir / Madam

"Enter Client Name" *

"[Enter Client Year / Period ended]" *

"[Enter Client Registration Number]" *

**[When there is a group of companies, list the multiple companies' details above for authorisation to be given for all the listed companies.]*

We have provided the following information as of the close of business on the Request Date "[Enter Client Year / Period ended]" regarding our company⁷ financial statement information to our auditors. Please confirm the accuracy of the information, noting any exceptions to the information provided. Please release any other information requested by the auditor.

As an authorised signatory of the above listed entity / entities, I hereby authorise "Enter Financial Institution Name" to:

- release the information as requested by our auditors "[Enter Audit Firm Name]" and
- debit the main account of "Enter Client Name" with the costs related to providing the information requested⁸.

Attached is a table of parties involved in this audit external confirmation request process which has been included for your information.

Yours faithfully

Authorised signatory

"[Enter Authorised Signer Name]"

⁷ Or other entity or individual

⁸ Or indicated other arrangement for settlement of charges arising

[To be edited as appropriate and typed on client letterhead]

Letter from client to financial institution authorising the financial institution to provide information to auditor (continued)

The table below represents a detailed log of the parties involved in this external confirmation request process:

Clients Company Information <i>[Please note this is not required to be filled in if the information is included in the client letterhead]</i>	Clients Authorised Signer Information <i>[Please note this is the client authorised signer information registered at the financial institution]</i>
"[Enter Client Name]"	"[Enter Authorised Signer Name]"
"[Enter Client Address]"	"[Enter Authorised Signer Contact Details (Tel & Fax)]"
"[Enter Client Contact Details (Tel & Fax)]"	"[Enter Authorised Signer Email Address]"
"[Enter Client Registration Number]"	

Audit Firm Information	Auditor Recipient Information <i>[Please note this is the audit firm representative sending the request information]</i>
"[Enter Audit Firm Name]"	"[Enter Audit Recipient Name]"
"[Enter Audit Firm Address]"	"[Enter Audit Recipient Contact Details (Tel & Fax)]"
"[Enter Audit Firm Contact Details (Tel & Fax)]"	"[Enter Audit Recipient Email Address]"
"[Enter Audit Firm IRBA Registration Number]"	

Form Type:	Assets – (Balance favourable to client)
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Representative:	Audit Firm "[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

According to the client's records at the close of business on year/period ended "[Enter Client Year / Period ended]":

- Balances on Cheque, Deposit, Savings, and other accounts of the above named client and associated interest received by and accrued to above named client for the period "Beginning Date" to "End Date" were:

(Balances favourable to the client)

Account No.	Type of Account	Balance	Account Status (Active/ Closed)	Date Account Closed	Interest where applicable		
					Rate (%)	Amount Received by Client	Amount Accrued to Client

- Details of Pledged/Ceded balances are as follows:

- Exceptions and/ or Comments for Auditor:

4. Exceptions and/ or Auditor's Comments from the auditor for financial institution:

Completed by:

Authorised signatory:

Date:

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Form Type:	Liabilities – (Balance favourable to financial institution)
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Audit Firm Representative:	"[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

According to the client's records at the close of business on year/period ended "[Enter Client Year / Period ended]":

1. Balances on Loans, Advances and other accounts of the above named client and associated interest paid by and owed by the above named client for the period "Beginning Date" to "End Date" were:

(Balances favourable to the financial institution)

Account No.	Type of Account	Balance	Repayment Terms	Account Status (Active/ Closed)	Date Account Closed	Interest where applicable		
						Rate (%)	Amount paid by client	Amount owed by client

2. Details of collateral are as follows:

3. Details of agreements between the financial institution and the client, limiting the client's total borrowings are as follows:

4. Details of other covenants restricting the client's ability to borrow or requiring it to adhere to certain prescribed financial ratios are as follows:

5. Details of total facilities and the date for review thereof are as follows:

6. Exceptions and/ or Comments for Auditor:

7. Exceptions and/ or Comments from the auditor for Financial Institution:

Completed by:

Authorised signatory:

Date:

Form Type:	Securities*
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Representative:	Audit Firm "[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

*Securities are broadly categorised into:

- Debt securities (debt securities may be called debentures, bonds, deposits, notes or commercial paper depending on their maturity and certain other characteristics),
- Equity securities, e.g., common stocks ("safe custody assets"),
- Hybrid securities e.g., preference shares (combination of the characteristics of both debt and equity securities), etc.

Account No.	Type of Account

According to the financial institution's records at the close of business on year/period ended "[Enter Client Year / Period ended"] for the accounts listed above:

1. Securities held by the financial institution for the client's account:

2. Securities out for transfer in the client's name:

3. Securities pledged or otherwise encumbered:

4. Amounts payable to or due from the client:

5. Exceptions and/ or Comments for Auditor:

6. Exceptions and/ or Comments from the auditor for Financial Institution:

Completed by:

Authorised signatory:

Date:

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Form Type:	Contingent Liabilities and Guarantees
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Audit Firm Representative:	"[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

Account No.	Type of Account

According to the financial institution's records at the close of business on year/period ended "[Enter Client Year / Period ended"] for the accounts listed above:

- Information related to written guarantees are as follows:

Amount	Expiry Date	Beneficiaries	Special Conditions

2. Other direct or contingent liabilities (Not letter of credit / derivatives) of the client were as follows (e.g.: Note):

3. Exceptions and/ or Comments for Auditor:

4. Exceptions and/ or Comments for / from the auditor Financial Institution:

Completed by:

Authorised signatory:

Date:

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Form Type:	Derivatives*
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Audit Firm Representative:	"[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

* Derivative contracts, such as Foreign exchange contracts, forward rate agreements, financial futures, interest rate swaps, option contracts, bullion contracts, commodity contracts, swap arrangements (near and far dates), credit derivatives including collateralised debt obligations (CDOs), others (state their nature) etc.

Account No.	Type of Account

According to the financial institution's records at the close of business on year/period ended "[Enter Client Year / Period ended]" for the accounts listed above:

1. Information related to forward contracts entered into on clients behalf are as follows:

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FEC Number ⁹	Amount in Rand	Amount in foreign currency	Period	Buying / Selling

2. Information on other derivative position are as follows:

3. Exceptions and/ or Comments for Auditor:

4. Exceptions and/ or Comments from the auditor for Financial Institution:

Completed by:

Authorised signatory:

Date:

⁹ The financial institution may attach to the external confirmation certificate a financial institution systems generated portfolio of trade / open position summary instead of filling in this table provided the information requested includes at a minimum the information included in the table for FEC's.

SAAPS 6, EXTERNAL CONFIRMATIONS FROM FINANCIAL INSTITUTIONS

Form Type:	Bills*
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Representative:	Audit Firm "[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

* Bill (or bill of exchange) – unconditional order in writing addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time, a sum certain in money to a specified person or his order or to bearer.

Account No.	Type of Account

According to the financial institution's records at the close of business on year/period ended "[Enter Client Year / Period ended"] for the accounts listed above:

1. The total of bills held for collection, in safe custody for the client or as security was R"[Enter Rand Amount"]. We confirm that the total is made up in accordance with the schedule furnished to us by you, a copy of which we return to you herewith duly authenticated, and that no other bills are held in safe custody for the client.

2. The bills, detailed above, were encumbered or pledged as security for:

3. The total contingent liabilities of the client in respect of bills recoverable, discounted but not yet due for payment was R"Enter Rand Amount" . We confirm that the total is made up in accordance with the schedule furnished to us by yourselves, a copy of which we return herewith duly authenticated, and that the customer has no further contingent liabilities to the financial institution in respect of discounted bills receivable.

4. Exceptions and/ or Comments for Auditor:

5. Exceptions and/ or Comments from the auditor for Financial Institution:

Completed by:

Authorised signatory:

Date:

SAAPS 6, EXTERNAL CONFIRMATIONS FROM FINANCIAL INSTITUTIONS

Form Type:	Letter of credit
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Representative:	Audit Firm "[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

Account No.	Type of Account	Currency	Amount	Expiry Date

According to the financial institution's records at the close of business on year/period ended "[Enter Client Year / Period ended"] for the accounts listed above:

1. Please advise if a non-renewal notification has been sent for the letter of credit described above:

2. Please advise of any balance variance, if applicable, for the letter of credit described above:

SAAPS 6, EXTERNAL CONFIRMATIONS FROM FINANCIAL INSTITUTIONS

3. Acceptances undertaken on behalf of the client, amount to R"Enter Rand Amount", made up as follows:

4. Exceptions and/ or Comments for Auditor:

5. Exceptions and/ or Comments from the auditor for Financial Institution:

Completed by:

Authorised signatory:

Date:

SAAPS 6, EXTERNAL CONFIRMATIONS FROM FINANCIAL INSTITUTIONS

Form Type:	Cash Management Systems
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Representative:	Audit Firm "[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

Account No.	Type of Account

According to the financial institution's records at the close of business on year/period ended "[Enter Client Year / Period ended"] for the accounts listed above:

- The names and number of each account included in such system during the year were as follows:

Name	Account Number	Deemed Participant: YES / NO	Deemed Controlling Company: YES / NO

- Exceptions and/ or Comments for Auditor:

3. Exceptions and/ or Comments from the auditor for Financial Institution:

Completed by:

Authorised signatory:

Date:

SAAPS 6, EXTERNAL CONFIRMATIONS FROM FINANCIAL INSTITUTIONS

Form Type:	Authorised Transactors / Signatories List
Client:	"[Enter Client Name]"
Client Reg #	"[Enter Client Reg #]"
Period End Request Date:	"[Enter Client Year / Period End Date]"
Audit Firm:	"[Enter Audit Firm Name]"
Requesting Representative:	Audit Firm "[Enter Audit Firm Representative Name]"

[Note: shaded sections on the forms indicate that the auditor has to furnish related information]

Account No.	Type of Account

According to the financial institution's records at the close of business on year/period ended "[Enter Client Year / Period ended"] for the accounts listed above:

1. The authorised transactors / signatories on the client's accounts were as follows:

Name of authorised Transactors / Signatories	Account No.	Transaction limit (if applicable)

SAAPS 6, EXTERNAL CONFIRMATIONS FROM FINANCIAL INSTITUTIONS

2. We hold the following documentation with regard to power of attorney (other than for security) from the client in the financial institution's favour or in favour of a third party:

3. Exceptions and/ or Comments for Auditor:

4. Exceptions and/ or Comments from the auditor for Financial Institution:

Completed by:

Authorised signatory:

Date:
