



# Guide to issuing critical skills confirmations (CSC)

# GUIDE TO USING ISRS 4400 WHEN ISSUING CRITICAL SKILLS CONFIRMATIONS

(This guide is effective)

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## **Preface**

This Guide is designed to assist SAIBA members in applying for a Critical Skills Confirmation (CSC) as well as to assist applicants to understand the CSC process and the principles on which a CSC letter is issued.

SAIBA will issue the CSC to its members (or members of other professional bodies) who hold the appropriate designation(s).

These members have to demonstrate that they are in good standing as a SAIBA member (or of their respective professional bodies) and have relevant employment history.

Requirements:

1. Applicants must have a professional body designation equivalent to the Certified Business Accountant (SA) or higher.
2. Applicants from other professional bodies must provide a letter of good standing from the relevant professional body.
3. Applicants who are not affiliated to any professional body, may apply to SAIBA for membership.

## **Introduction**

1. The Southern African Institute for Business Accountants (SAIBA) is a registered and regulated professional accountancy body established in terms of the Companies Act, 71 of 2008 (CA) as an NPC and recognised by the South African Qualifications Authority (SAQA) in terms of the National Qualifications Framework Act of 2008 (NQF) in South Africa.
2. The issuing of a Critical Skills Confirmation (CSC) by SAIBA is dependent on a person demonstrating achievement of the knowledge, skills and experience requirements to be awarded a SAIBA designation (minimum requirement, Certified Business Accountant (CBA)).
3. In addition, SAIBA will assess an applicant's employment history to determine if the experience obtained is relevant to the most recent critical skills list as issued by the Department of Home Affairs, and at a level expected from South African employers.
4. Upon successful completion of the assessment, SAIBA will issue a CSC in the form of a letter. However, this letter does not serve as a guarantee that the Department of Home Affairs will approve the visa application. Home Affairs will apply its internal processes and requirements to arrive at its own decision. The purpose of the letter is to confirm your good standing as a SAIBA member and relevant employment history.

## **Designations and occupational classes**

5. Based on the Companies Act and the SAQA, SAIBA is authorised to issue professional designations to qualifying applicants.
6. Prior to being issued with a designation an applicant will have to demonstrate that he/she has met the qualifying criteria for a designation. SAIBA performs a verification function on the information and assessments provided by the applicant.
7. SAIBA designations are issued to conform to specific professional category or occupational class, as follows:

Business accountant (SA)	Junior accountant / Bookkeeper. General consultants.
Certified Business accountant (SA)	Financial manager. <b>Corporate General Managers.</b>
Certified Financial Officer (SA)	Finance Director or CFO. <b>Corporate General Managers.</b>
Business accountant in practice (SA)	Accountant in private practice. <b>Corporate General Managers.</b> <i>NB: Applicants with this designation will have to demonstrate other relevant experience in order for SAIBA to issue the CSC.</i>

### **Critical Skills Confirmations (CSC)**

8. In terms of sections 19(1) of the Immigration Act, 2002 (Act No. 13 of 2002), (IA) read with immigration regulations 18(5), foreigners who fall within a specific professional category or occupational class as determined by the Minister of Home Affairs, may apply for a Critical Skills Work Visa (CSW-Visa).
9. It therefore follows that SAIBA can only issue a CSC where a designation is issued relevant to a specific professional category or occupational class, as stated above.
10. This Guide is designed to assist SAIBA members in applying for the CSC and to assist applicants to understand the CSC process and the principles on which a CSC letter is issued.
11. CSC's are issued based on agreed-upon-procedures as prescribed in the International Standard on Related Services 4400 (ISRS4400). This guide incorporates the ISRS 4400 text verbatim but makes amendments as appropriate to the requirements pertaining to IA and Regulations.

## **CSC alignment to a SAIBA designation**

12. The Critical Skills list issued by the Department of Home Affairs in 2014 classifies Critical Skills into 11 Education Subject Matter fields. One of these is Business, Economics and Management Studies with the following critical skills listed:
  - a. Actuaries and Risk Assessors;
  - b. Corporate General Managers;
  - c. External Auditors;
  - d. Financial Investment Advisors.
13. As a professional body SAIBA operates within the Business, Economics and Management sector and hence can only issue CSC for critical skills listed under that classification.
14. Currently, occupations: a, c, and d, is not aligned to any SAIBA designation. SAIBA is therefore not able to issue CSC for these critical skills.
15. Critical skill: b, Corporate General Managers is aligned to SAIBA designations but would require additional verification elements.
16. The applicant will have to demonstrate achievement of the knowledge, skills and experience requirements to be awarded a SAIBA designation, plus evidence of employment history to determine if the experience obtained is relevant to the most recent critical skills list as issued by the Department of Home Affairs, and at a level expected from South African employers.

## **Objective of an Agreed-Upon Procedures Engagement**

17. The objective of an agreed-upon procedures engagement is for the Authorised SAIBA Employee (ASE) to carry out procedures of an audit nature to which SAIBA and the applicant and any appropriate third parties, such as the Department of Home Affairs have agreed and to report on factual findings.
18. The application is reviewed by an authorised SAIBA staff member prior to issuing a CSC in the form of a letter.
19. As the authorised SAIBA staff member simply provides a letter of the factual findings of agreed-upon procedures, no assurance is expressed. Instead, users of the letter assess for themselves the procedures and findings reported by the ASE and draw their own conclusions from the ASEs work.

20. The letter is restricted to those parties that have agreed to the procedures to be performed since others, unaware of the reasons for the procedures, may misinterpret the results.

### **General Principles of an Agreed-Upon Procedures Engagement**

1. The ASE should conduct an agreed-upon procedures engagement in accordance with ISRS 4400 and the terms of the engagement.
2. The ASE should comply with the following additional codes and standards when performing agreed-upon-procedures on CSC:
  - a. Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the IESBA Code). Ethical principles governing the ASEs professional responsibilities for this type of engagement are:
    - i. Integrity;
    - ii. Objectivity;
    - iii. Professional competence and due care;
    - iv. Confidentiality;
    - v. Professional behaviour;
    - vi. Technical standards; and
    - vii. Independence.
  - b. Independence is not normally a requirement for agreed-upon procedures engagements; however, SAIBA requires that all ASEs must comply with the independence requirements of the IESBA Code.
  - c. The ASE should comply with the International Standards of Quality Control (ISQC1) as issued by the International Auditing and Accounting Standards Board (IAASB) as applicable to ISRS 4400 engagements.

### **Defining the Terms of the Engagement**

3. The ASE should ensure with the applicant, and other specified parties who will receive copies of the report of factual findings, that there is a clear understanding regarding the agreed procedures and the conditions of the engagement. Matters to be agreed include the following:

- Nature of the engagement including the fact that the procedures performed will not constitute an assurance engagement (i.e. ISAE 3000) and that accordingly no assurance will be expressed;
  - ISRE4400 engagements does not provide a guarantee of accuracy, correctness or truthfulness of any of the representations made by the applicant.
  - Stated purpose for the engagement;
  - Identification of the information to which the agreed-upon procedures will be applied;
  - Nature, timing and extent of the specific procedures to be applied.
  - Anticipated form of the report of factual findings;
  - Limitations on distribution of the report of factual findings. When such limitation would be in conflict with the legal requirements, if any, the ASE would not accept the engagement.
4. In certain circumstances, for example, when the procedures have been agreed to between the regulator, industry representatives and representatives of the accounting profession, the ASE may not be able to discuss the procedures with all the parties who will receive the report. In such cases, the ASE may consider, for example, discussing the procedures to be applied with appropriate representatives of the parties involved, reviewing relevant correspondence from such parties or sending them a draft of the type of report that will be issued.
5. It is in the interests of both the client and the ASE, that the ASE (as a representative of SAIBA) sends an engagement letter documenting the key terms of the appointment. An engagement letter confirms SAIBA's and the ASE acceptance of the appointment and helps avoid misunderstanding regarding such matters as the objectives and scope of the engagement, the extent of the ASEs' responsibilities and the form of reports to be issued.
6. Matters that would be included in the engagement letter include the following:
- A listing of the procedures to be performed as agreed upon between the parties.
  - A statement that the distribution of the report of factual findings would be restricted to the specified parties who have agreed to the procedures to be performed. In addition, the ASE may consider attaching to the engagement letter a draft of the type of report of factual findings that will be issued. An example of an engagement letter appears in Appendix 1 to this Guide.



## **Planning**

7. The ASE should plan the work so that an effective engagement will be performed.

## **Documentation**

8. The ASE should document matters which are important in providing evidence to support the report of factual findings, and evidence that the engagement was carried out in accordance with this ISRS and the terms of the engagement.

## **Procedures and Evidence**

9. The ASE should carry out the procedures agreed upon and use the evidence obtained as the basis for the report of factual findings.
10. The procedures applied in an engagement to perform agreed-upon procedures may include the following:
  - Inquiry and analysis;
  - Observation;
  - Inspection;
  - Obtaining confirmations;
  - Appendix 2 to this ISRS is an example report which contains an illustrative list of procedures which may be used as one part of a typical agreed-upon procedures engagement.

## **Reporting**

11. The report on an agreed-upon procedures engagement needs to describe the purpose and the agreed-upon procedures of the engagement in sufficient detail to enable the reader to understand the nature and the extent of the work performed.

The report of factual findings should contain:

- a. Title;
- b. Addressee (ordinarily the client who engaged SAIBA and the ASE, to perform the agreed-upon procedures);
- c. Identification of specific information to which the agreed-upon procedures have been applied;

- d. A statement that the procedures performed were those agreed upon with the recipient;
- e. A statement that the engagement was performed in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements (ISRS4400), or with relevant national standards or practices;
- f. Identification of the purpose for which the agreed-upon procedures were performed;
- g. A listing of the specific procedures performed;
- h. A description of the ASEs factual findings including sufficient details of errors and exceptions found;
- i. Statement that the procedures performed do not constitute either an assurance and, as such, no assurance is expressed;
- j. A statement that had the ASE performed additional procedures, or assurance, other matters might have come to light that would have been reported;
- k. A statement that the letter is restricted to those parties that have agreed to the procedures to be performed;
- l. A statement (when applicable) that the report relates only to the information specified;
- m. Date of the report;
- n. SAIBA's address; and
- o. ASE's signature.

12. Appendix 2 to this guide contains an example of a report of factual findings issued in connection with an engagement to perform agreed-upon procedures regarding financial information.

## Appendix 1 - Illustration of an Engagement Letter

The engagement letter will need to be varied according to individual requirements and circumstances. To be issued on a SAIBA letter head and signed by an authorised manager.

### Engagement Letter

For attention:

Full name of applicant: \_\_\_\_\_

Full address: \_\_\_\_\_

ID/Passport number: \_\_\_\_\_

Full contact details: \_\_\_\_\_

This letter confirms SAIBA's understanding of the terms and objectives of our engagement and the nature and limitations of the services that we will provide.

### Standards of engagement

Our engagement will be conducted in accordance with the:

- International Standard on Related Services 4400 applicable to agreed-upon procedures engagements;
- The Code of Ethics for Professional Accountants; and the
- International Standard of quality Control.

### Skills assessment criteria

SAIBA applies the following skills assessment criteria in order to determine if a CSC letter can be issued:

#### 1. Qualification:

- a. A qualification that is assessed by the South African Qualifications Authority (SAQA) as equivalent to at least a South African Bachelor degree;

## 2. Designation:

- a. Confirmation that you have the knowledge, skills and experience required to obtain a relevant SAIBA designation;

## 3. Occupation competency areas:

- a. Confirmation that you have successfully studied all mandatory competency areas that are relevant to the Corporate General Manager (**OCCUPATION CODE: 121901**) as follows:

- b. Description:

- i. Plans, organises, directs, controls and reviews the day-to-day operations and major functions of a commercial, industrial or other organisation (excluding government or local government) through departmental managers and subordinate executives.

- c. Tasks

- i. Planning and directing daily operations.
- ii. Analyzing complex resource management issues and initiatives that affect the organization, and preparing associated reports, correspondence and submissions.
- iii. Developing and implementing administrative and procedural statements and guidelines for use by staff in the organization.
- iv. Developing and managing the organization's administrative and physical resources.
- v. Leading, managing and developing administrative staff to ensure smooth business operations and the provision of accurate and timely information.
- vi. Providing information and support for the preparation of financial reports and budgets.
- vii. Representing the enterprise or organization in negotiations, and at conventions, seminars, public hearings and forums.

- d. Learning Pathway Description

- i. There are several possible learning pathways that lead to Corporate General Manager but relevant workplace experience is a prerequisite in every instance. Please check the specific entry requirements for the various qualifications of the institution of your choice.
- ii. The first pathway entails a relevant qualification and workplace

experience that will qualify you to enter for a Master in Business Administration.

- iii. The second pathway entails a relevant qualification that will qualify you to enter for an Honours in Management.
- iv. The third pathway entails a relevant qualification that will qualify you to enter for a Master in Management.
- v. The fourth pathway allows you to enter for an Advanced or Postgraduate Diploma in Management following a prior occupation with the relevant qualifications and workplace experience.
- vi. The fifth pathway shows that becoming a Corporate General Manager may vary from one establishment to the next and there are several occupations with relevant qualifications and workplace experience that may qualify you for this occupation.

#### **4. Occupation experience:**

- a. Confirmation of work experience relevant to the Corporate General Manager (OCCUPATION CODE: 121901) is as follows:
  - i. Experience closely related to the General Corporate Manager occupation;
  - ii. Was undertaken in the 10 years prior to your SAIBA CSC application date;
  - iii. Was undertaken after you have completed a formal qualification (or combination of qualifications);
  - iv. Was remunerated and continuous for a minimum of 20 hours per week;
  - v. Is a minimum of one year of accumulated employment, for at least three months per role.

## **Supporting documents**

1. Qualification:
  - a. SAQA Evaluation Certificate
2. Designation:
  - a. Completed SAIBA designation form;
  - b. Certified passport/identity documents;
  - c. Completed verbal assessment related to chosen SAIBA designation.

### 3. Occupation competency areas:

#### a. Testimonial from your employer that:

- i. is written on the official letterhead of the employing business. The letterhead should indicate clearly the full address of the business and any telephone, email and website addresses includes the name and position of the person authorised to sign the employment reference/testimonial and should include the authorised person's signature. References from colleagues of the applicant at the same level or below will not be considered;
- ii. includes the work contact number and email address of the person writing the reference. Personal phone numbers or addresses will not be accepted
- iii. The testimonial must include:
  - start and end date/s of your employment history (multiple roles within the same organisation must be listed separately) position/s held;
  - whether your role/s were permanent or temporary;
  - full-time or part-time;
  - your required working hours per week;
  - the duties or responsibilities undertaken in each position;
  - the salary you earned;
  - Volunteer work and experience carried out as part of a qualification are not considered for skill employment.
- iv. Third party documentation:
  - taxation certificates;
  - employment contracts;
  - pay slips;
  - a letter from a work colleague confirming your relationship and work duties.

#### b. If self-employed

- i. Self-employed applicants must provide a testimonial that is written on the official letterhead of your business. The letterhead should indicate clearly the full address and any telephone, email and website addresses.
- ii. The testimonial must include:

- start and end dates;
  - your working hours per week;
  - the duties or responsibilities undertaken in each position;
  - the salary you earned.
- iii. You will also need to include certified copies of the following documents:
- registration of your business name;
  - practicing certificate or business licence;
  - tax returns of first, a middle and final year (if relevant) of business operation;
  - references from two or more clients on letterhead, stating work done by your business and the period your business was employed by the referee

## **Assessment validity**

Your application remains valid with SAIBA for a period of two years from your original acknowledgement or application received date.

## **Complete further studies**

If our assessment of your application indicates you need additional studies, you have two options:

- Complete your additional studies via the SAIBA exams.
- Complete your additional studies via accredited courses offered by other higher education providers.

## **Procedures**

The procedures that we will perform are solely to assist you in meeting the obligations as per Section 19(4) of the Immigration Act, 2002 (as amended) related to:

1. If required by law, proof of application for a certificate of registration with the professional body, council or board recognised by SAQA in terms of section 13(1)(i) of the national qualifications framework act;

2. A confirmation, in writing, from the professional body, council or board recognised by SAQA in terms of section 13(1) of the national qualifications framework act, or any relevant government department confirming the skills or qualifications of the applicant and appropriate post qualification experience.

Our Critical Skills Confirmation (CSC) letter is not to be used for any other purpose and is solely for your information. The procedures that we will perform will not constitute an assurance engagement made in accordance with International Standards on Auditing or International Standards on Review Engagements (or refer to relevant national standards or practices) and, consequently, no assurance will be expressed.

We look forward to full cooperation with you / your staff and we trust that they will make available to us whatever records, documentation and other information requested in connection with our engagement.

## **Fees**

Our fees, which will be billed as per the directive issued by SAIBA are as follows:

- Critical Skill Confirmation **R 2 500-00**
- Critical Skill application review or appeal R 1 500-00
- Critical Skill application withdrawal R 750-00
- Critical Skill application update R 750-00

### **NB:**

1. If applying for a SAIBA designation, the highlighted fee above does not apply.
2. Payment of the prescribed fee does not guarantee that a CSC will be issued.
3. Once an applicant signs the engagement letter, fees are non-refundable.

## **How to and apply and pay**

For application procedures and payment, kindly go to SAIBA website ([www.saiba.org.za](http://www.saiba.org.za))



Please sign and return the attached copy of this letter to indicate that it is in accordance with your understanding of the terms of the engagement including the specific procedures which we have agreed will be performed.

### **Acceptance of terms**

Full name of applicant: \_\_\_\_\_

Full address: \_\_\_\_\_

ID/Passport number: \_\_\_\_\_

Full contact details: \_\_\_\_\_

## **Appendix 2 – Illustrated Report**

(Letter head of SAIBA))

For attention

*Representative individual*

*Business entity name*

*Contact details*

### **REPORT OF FACTUAL FINDINGS OF SAIBA TO (*NAME OF APPLICANT*) ON THE APPLICATION OF A CRITICAL SKILL CONFIRMATION**

We have performed the procedures agreed with you and enumerated below with respect to the application of a business visa in terms section 19(4) of the Immigration Act, No. 13 of 2002.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400, the Code of Ethics for Professional Accountants and the International Standard of quality Control.

The procedures were performed solely to assist the applicant in the application for a Critical Skill Confirmation (CSC) and they are summarised as follows:

#### **Procedures**

SAIBA applies the following skills assessment criteria in order to determine if a CSC letter can be issued:

##### **1. Qualification:**

- a. Obtained a SAQA Evaluation Certificate and checked if it is equivalent to at least a South African Bachelor degree;

**2. Designation:**

- a. Confirmation of the knowledge, skills and experience required to obtain a SAIBA designation by checking the completed SAIBA designation form; certified passport/identity documents; and completed verbal assessment related to chosen SAIBA designation.

**3. Occupation competency areas:**

- a. Obtained the mandatory competency areas that are relevant to the Corporate General Manager (**OCCUPATION CODE: 121901**) and compared to the SAQA and subject transcripts provided by the applicant.

**4. Occupation experience:**

- a. Obtained the experience areas that are relevant to Corporate General Manager (**OCCUPATION CODE: 121901**) and compared to the testimonials received from employers.

**We report our findings below:**

- a) With respect to item 1 we found the details to [agree/not agree].
- b) With respect to item 2 we found the details to [agree/not agree].
- c) With respect to item 3 we found the details to [agree/not agree].
- d) With respect to item 4 we found the details to [agree/not agree].

Because the above procedures do not constitute an assurance engagement and does not guarantee the accuracy or truth of the presentations made, in accordance with International Standards on Assurance Engagements (or relevant national standards or practices), we do not express any assurance on the matters stated.

Had we performed additional procedures or had we performed an assurance engagement of the information in accordance with relevant International Standards (or relevant national standards or practices), other matters might have come to our attention that would have been included in this letter.

Our letter is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties.

This letter relates only to the items specified above and does not extend to any other information.

(Signed by Authorised SAIBA Employee)