



ESTATE AGENCY AFFAIRS BOARD
OF SOUTH AFRICA

20 June 2012

NOTIFICATION - AUDITOR REPORT FORM AND RELATED REQUIREMENTS

The Estate Agency Affairs Board (EAAB) has, in consultation with the Independent Regulatory Board for Auditors (IRBA), introduced a revised auditor's report which estate agents are required to submit to the EAAB annually, within four months of an estate agent's financial year-end, in order to be granted their licence to practice. The revised auditor's report replaces the previous auditor's report and with effect from 1 September 2011, only, the revised report will be accepted (refer Section 32(4) of the Estate Agency Affairs Act, 112 of 1976) (hereafter referred to as "the Act").

The provisions of Sections 29 and 32 of the Act stating that every estate agent must have accounting records as are necessary to fairly reflect and explain the state of affairs of all moneys received or expended, including monies deposited to the trust account or interest-bearing account, remains in force. These accounting records (of both the business and the trust accounts) must be audited within 4 (four) months of the financial year-end of the estate agent's business. It is specifically to be noted that the Act draws no distinction whether the estate agent is operated as a sole proprietor, partnership, close corporation or company and the requirements for the audit of the business and trust accounts remain irrespective.

Estate agents are alerted to the fact that the report contains additional disclosures required by the EAAB to address legislative requirements affecting trust accounts held by estate agents, that may require additional work by auditors performing such engagements and in this respect, estate agents are required to give their appointed auditor reasonable access to such books and records as the auditor considers necessary, to perform their duties in terms hereof.

The Executive Committee of the EAAB has resolved to grant a non-recurring extension of three (3) months for the submission of the auditor's report relating to the 2012 financial year-end. This effectively allows estate agencies such additional time, as may be required, to ensure the audit of both the business and trust accounts are completed for purposes of the revised auditor's report.

The EAAB reserves the right, at its sole discretion, to institute formal processes relating to any non-compliance with the provisions of the Act.



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Submission of Auditors' Reports

Before submitting your auditor's report please ensure the following:

- The report is completed in full and signed by the appointed registered auditor, who is registered with the IRBA and has accepted their appointment for the relevant estate agency, as per the EAAB records;
- Name of the agency / firm which is registered with the EAAB;
- The report reflects the details of all Section 32 accounts held by the agency;
- The report indicates the FIC registration number (Registration is a legal requirement in terms of Section 43B of the FIC Act, as an accountable institution. Visit: www.fic.gov.za)

The revised auditor's report is available in both PDF and Word formats and may be downloaded from either: www.eaab.org.za alternatively from www.irba.co.za.

Should you have any further queries or experience any technical difficulties in downloading the documents, please do not hesitate to contact the EAAB on: 011 731 5600.

Auditor's Report submission and proof of payment for penalty fees are to be submitted to: audit@eaab.org.za or via fax to: 086 513 7716.