

# AI SMART AUDITOR

## LICENSING AGREEMENT & TERMS AND CONDITIONS

**Effective Date:** [Insert Date]

Welcome to the AI Smart Auditor platform (“the Platform”). This Licensing Agreement and Terms and Conditions (“Agreement”) governs your access to and use of the AI Smart Auditor, a proprietary AI-powered tool designed to support auditing activities under the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA).

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### 1. License Grant

- 1.1 The Platform grants you a **limited, non-exclusive, non-transferable, revocable license** to use the AI Smart Auditor solely for legitimate auditing purposes under PFMA and MFMA frameworks.
  - 1.2 This license is provided strictly for your internal professional use. You may not sublicense, rent, lease, or assign the license to third parties.
  - 1.3 The Platform may introduce updates, enhancements, or modifications, and such updates will also be governed by this Agreement unless explicitly stated otherwise.
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### 2. Restrictions

2.1 You shall not:

- Copy, reproduce, or distribute the Platform or any of its components except as expressly permitted.
- Alter, modify, adapt, or create derivative works of the Platform.
- Attempt to reverse-engineer, decompile, or disassemble the software or underlying models.
- Use the Platform in ways that are unlawful, fraudulent, defamatory, or outside the intended auditing scope.

2.2 You agree to use the Platform in a manner consistent with **South African laws and professional auditing standards**.

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### 3. Compliance with PFMA and MFMA

3.1 The Platform is designed as a **support tool**. It assists in aligning audits with the PFMA and MFMA but does not replace the professional judgment of an auditor.

3.2 You remain solely responsible for:

- Interpreting the PFMA and MFMA correctly,
  - Ensuring that audit reports comply with relevant legislation,
  - Verifying that outputs are accurate and appropriate for their intended purpose.
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### 4. Data Use and Confidentiality

4.1 **Ownership:** All data uploaded remains the exclusive property of the user.

4.2 **Confidentiality:** The Platform applies industry-standard measures to protect confidentiality, integrity, and availability of data, including encryption and secure storage.

**4.3 Data retention:** Data may be stored temporarily to enable processing but will not be shared with unauthorized third parties.

**4.4 User responsibility:** You are responsible for ensuring that uploaded data does not contain personal information in violation of the **Protection of Personal Information Act (POPIA)** unless such processing complies with applicable law.

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## 5. Disclaimer of Warranties

5.1 The Platform is provided on an “**as is**” and “**as available**” basis.

5.2 The Platform makes no representations or warranties, express or implied, including but not limited to:

- Accuracy, completeness, or reliability of audit outputs,
  - Fitness for a particular purpose,
  - Continuous, error-free, or uninterrupted service.
- 5.3 Users acknowledge that AI outputs may contain **limitations, biases, or errors**, and human review is essential.
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## 6. Limitation of Liability

6.1 To the maximum extent permitted by law, the Platform and its providers shall not be liable for:

- Direct, indirect, incidental, or consequential damages,
- Loss of income, financial data, or reputational harm,
- Misinterpretation or misuse of outputs by the user.

6.2 Liability, if established, shall not exceed the fees paid for accessing the Platform in the twelve (12) months preceding the claim.

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## 7. Termination

7.1 This Agreement remains effective until terminated by either party.

7.2 Termination occurs automatically if you:

- Breach any provision of this Agreement, or
- Misuse the Platform.

7.3 Upon termination:

- All licenses and rights granted will immediately cease, and
  - You must discontinue all use of the Platform.
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## 8. Governing Law

8.1 This Agreement shall be governed by and construed under the laws of the **Republic of South Africa**.

8.2 Any disputes shall first be resolved through **good faith negotiations**. If unresolved, disputes may

be referred to arbitration in Johannesburg, in accordance with the rules of the **Arbitration Foundation of Southern Africa (AFSA)**.

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## **9. Indemnification**

You agree to indemnify and hold harmless the Platform, its developers, and affiliates from any claims, liabilities, damages, or expenses (including legal fees) arising out of:

- Your misuse of the Platform,
  - Breach of this Agreement, or
  - Violation of any applicable laws or third-party rights.
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## **10. Amendments**

**The Platform reserves the right to update or amend this Agreement at any time. Continued use of the Platform after updates shall constitute acceptance of the revised Agreement.**

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## **11. Severability**

**If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.**

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## **12. Entire agreement**

**This Agreement constitutes the entire understanding between the parties with respect to the subject matter and supersedes all prior oral or written communications.**

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## **13. Contact Information**

If you have questions or concerns about this Agreement, please contact us at:

-  Email: [support@nstsolutions.co.za](mailto:support@nstsolutions.co.za)
-  Website: [www.nstsolutions.co.za](http://www.nstsolutions.co.za)